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WRITE FOR GENERAL AGENCY PROPOSITION AND TERRITORY



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## A COMPLETE LINE

The Missouri State Life provides the field man with a complete line of policy forms offering a wide range of non-participating and participating contracts, designed to meet the varying needs of individual prospects. Life—Accident & Health—Group—Salary Savings.

Liberal Agency contracts, prompt underwriting service, helpful field cooperation.



# MISSOURI STATE LIFE INSURANCE COMPANY

St. Louis, Missouri

Life—Accident and Health—Group and Salary Savings



More cash in banks

More U. S. Government, state and municipal bonds

More insurance in force

More capital and surplus

Greater ratio of assets to policy liability

As of January 1, 1933, compared to the previous year.

The Great American Life of Texas has much to offer agents including a line of modern up-to-date policies and a liberal contract.

Write the Home Office for open territory in Texas, Colorado, Louisiana, Idaho, Arizona and North Dakota.

# THE GREAT AMERICAN LIFE INSURANCE COMPANY

Chas. E. Becker, President
HOME OFFICE—SAN ANTONIO, TEXAS

"Where the sunshine spends the winter"

# The National Underwriter

## LIFE INSURANCE EDITION

Thirty-Seventh Year-No. 23

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, JUNE 9, 1933

\$3.00 Per Year, 15 Cents a Copy

## **Need Perspective** in Underwriting

Dingman Stresses Consideration of All Viewpoints at Medical Meeting

#### CONSIDER INDIVIDUALS

American Life Convention Section Meets in Chicago-Rheumatic Infections and Complications Discussed

Dr. J. R. Neal, Abraham Lincoln Life, who has been vice-chairman of the A. L. C. medical section for the past year, was advanced to chairman at the business session Wednesday night. Dr. J. E. Daniel, Great Southern Life, was elected vice-chairman. Dr. S. J. Streight, Canada Life, program chairman this year, becomes the ranking member of the executive committee, and thus is in line to be vice-chairman next year. Dr. Donald E. Cragin, becomes chairman of the program committee.

The great need for underwriting perspective was stressed by Dr. Harry W. Dingman, vice-president and medical director Continental Assurance, in his address as chairman at the annual meeting of the Medical Section of the American Life Convention.

"We have believed so thoroughly in the law of averages as a basis for the institution of insurance," he said, "that we have over-stressed class and have understressed the individual, apparently forgetting that the class is merely a group of individuals and we must individualize carefully if we are to classify adequately. It avails us little to appraise the physical aspect exactly if we overlook a steadily falling earnings curve. It avails us little to ascertain the financial picture accurately if we disregard a personal history of serious portent. We are not insuring statistics, nor are we insuring gallstones and electro cardiograms. We insure human be-

#### Factors Which Influence Applicant

Health environments and intangible problems of temperament are all fac-tors which influence the applicant, said Dr. Dingman. "Present day valuation of risks must go carefully into the physical, searchingly into the environment and penetratingly into the psychological. Any lesser analysis is incomplete."

The training of medical men has given

them unusual opportunity to understand the human nature phases of applicants. Medical men see the results of physical impairment, unfortunate environments and consequences due to weak and perwork. They are also able to perceive how human nature is affected by physical and environmental factors. A doctor is essentially individualistic and for that very reason gravitates to a pro-fessional vocation rather than business.

The medical director must learn to work on the reports of others rather

## Speakers Named for Muster | New Regulations of National Association

already on the program are: M. J. Cleary, President Northwestern Mutual Cleary, President Northwestern Mutual; George Brannan, Agent New York Life, Little Rock; C. W. Baldwin, Agent Connecticut Mutual, Seattle; O. Sam Cummings, general agent, Kansas City Life, Dallas; Joseph Maryman, agent Aetna Life, Little Rock; R. A. Trubey, manager Guardian of New York, Fargo, N. D.; L. P. Good, manager Prudential, San Diego; John R. Hastie, agent Mutual Life of New York in Chicago, and president Chicago association, and Herman A. Behrens, president Continental Assurance.

Also J. M. Keplar, agent Bankers of Iowa, Elkhart, Ind.; William G. Rose, orator and publicist, Cleveland; John A. Stevenson, home office general agent, Penn Mutual Life, Philadelphia; Dr. S. S. Huebner, dean of the American Col-lege of Life Underwriters; E. J. Clark, state agent John Hancock Mutual, state agent John Hancock Mutual, Baltimore; Caleb R. Smith, agent Mas-sachusetts Mutual, Ann Arbor, Mich.; Superintendent Van Schaick of the New

than on his personal findings and co-

ordinate his activities with others there-

by enhancing his value by team work.

He must enlarge his perspective in order

that he may see not only the original applicant, but the entire group who sub-

mit reports upon the applicants, sizing up the dependability of what they say. He must recognize the powerful advan-

tage there is in enlisting the coopera-tion of agents, medical examiners, actu-

aries, lay underwriters and the senior executives.

Rheumatic Infections Discussed

Rheumatic infections and complica-tions were discussed by Dr. Thomas Dickson, Jr., associate medical director Minnesota Mutual Life. Chronic rheu-

matism or chronic arthritis is of minor importance as a cause of death, the death rate from that cause in the United

States for 1929 being 1.3 per 100,000. The main concern to the underwriter

is it may influence adversely the resistance of the individual to intercurrent

infections.

Dr. H. F. Starr, vice-president and medical director Pilot Life, stated that chronic arthritis was an extremely important cause of disability claims against

life companies.

The combined mortality from cardio-

arterio-renal disease is no greater to-day than 30 years ago, so that the ap-

day than 30 years ago, so that the apparent cardiac mortality is at the expense of renal cases and apoplexy, said Dr. M. B. Bender, medical director Guardian Life of New York City. Acute articular rheumatism causes heavier mortality in the early age group, between 10 and 20 years, and again around

The younger group's poor experi-(CONTINUED ON LAST PAGE)

York department; Harry Agent Penn Mutual, New York City; R. S. Moore, supervisor Midland Mu-Columbus; Clay Hamlin, general Columbus; Clay Hamlin, Buffalo; NEW YORK, June 8.—The National Association of Life Underwriters has completed its program for the annual convention in Chicago with the exception of four or five speakers whose names will be announced shortly. Those already on the program are: M. I. John M. Laird, vice-president, Connec-ticut General; John Morrell, associate manager, Equitable of New York, Chi-cago; T. I. Parkinson, president, Equit-able of New York; W. S. Smith, agent Massachusetts Mutual, St. Louis; F. H. Davis, vice-president, Penn Mutual; R. B. Hull, managing director, National Association.

#### Executives Meet Sept. 25

The National association executive committee will meet all day Sept. 25. On the following day the managers and general agents will hold their session, the program and speakers for which will be represented by the comment of the second services of the second services and the second services are serviced by the second services and the second services are serviced by the second services are services as the second services are services and second services are services are services as the second services are services are services as the second services are services are services as the second services are be announced later. The million dollar round table will meet Sept. 27, with M. J. Donnelly of Newcastle, Pa., as chair-

man.
The supervisors' section will meet
Sept. 28. Speakers will be Maxwell
Stevenson, supervisor Berkshire Life at
Pittsburgh; Russell Moore, supervisor
Midland Mutual, Columbus; Z. C. Yates,
agency supervisor Union Central Life
in Chicago; and A. S. Holman of the
Travelers' San Francisco office, second
vice president National Association.

## Is Presiding



DR. HARRY W. DINGMAN

Dr. H. W. Dingman, medical director of the Continental Assurance and Continental Casualty of Chicago, was the presiding officer this week at the meeting of the Medical Section of the American Life Convention in Chicago. Dr. Dingman, in addition to being medical director, is the public relations man for his organization. He is a popular man personally and is generally beloved.

# Are Recommended

Permit Unlimited Payments to Relieve Need and Prevent Hardship

#### GIVE MORE ELASTICITY

Commissioners Convention Follows Course of Gradually Lifting the Moratorium-Companies Pleased

NEW YORK, June 8.—New York lonn and surrender restrictions have been liberalized by Superintendent Van Schaick in necordance with the recommendations adopted by the commissioners at their Chicago meeting. This will allow lonns and surrenders provided by policies to the extent required to relieve need or prevent hardship when proper reasons are submitted in writing. This provision, in effect, will permit New York policyholders to obtain loans and surrenders without restriction except in cases where funds are sought for speculation or hourding. A similar provision covers sums on deposit or sums allowed to accumulate in the possession of life companies.

The new set of recommended restrictions, which was adopted by the National Convention of Insurance Commissioners in annual session in Chicago. received the approbation of company executives in all parts of the country, Undoubtedly there were those who favored continuing the present restrict.ons, while others favored lifting the moratorium completely, but the new recommended code is in line with the principle of a gradual lifting of the lid rather than taking it off completely and immediately.

The new suggested rules embody many features of the New Jersey regulations and represented a point on which the American Life Convention companies and members of the Life Presidents Association came to an agreement at a joint conference recently.

#### Principal Feature Given

The capital feature of the proposed new rules is the provision that cash values may be allowed and policy loans made to the extent required to relieve need or prevent hardship. This provi-sion is more elastic than the former rigid rule which permitted only the pay-ment of \$100 except for certain specified uses. The only fear expressed is that under these rules competition among the companies will be intensified. However, practically all of the company officials who attended the convention expressed satisfaction with the action taken.

Several hearings on the question were

Several hearings on the question, held during the course of the conven-tion, beginning the day before the open-tion, beginning the convention proper. The ing of the convention proper. The agreement was reached in good time and the resolution was submitted and

(CONTINUED ON LAST PAGE)

## Officers Renamed by Commissioners

Forty-Four States And Two Provinces Represented at Chicago Convention

#### GREATER HARMONY SEEN

Tendency Towards Closer Cooperation Is Observed With Threat of Federal Supervision in Background

A record attendance of commissioners or other department officials from 44 states, the District of Columbia, Quebec and Ontario, was established at the annual meeting of the National Convention of Insurance Commissioners in Chicago. The only states not represented were Idaho, Nevada, New Hampshire and New Mexico.

The large attendance was due to the attraction of the world fair, the impor-tance of the subjects scheduled for distance of the subjects scheduled for dis-cussion and action and the fact that the Chicago meeting was a telescoped ses-sion of the mid-summer meeting of the executive committee of the convention and the annual fall gathering. There was also a record attendance of com-pany executives and other camp follow-ers and the crowd was swelled by those attending the convention of the Amer-ican Institute of Actuaries in the same hotel.

#### December Meeting Planned

All officers were reelected due to the fact that Commissioner G. W. Brown fact that Commissioner G. W. Brown of Minnesota took office as president only a few months ago, filling out the unexpired term of W. A. Tarver, who was removed as commissioner of Texas. The first vice-president is Dan C. Boney of North Carolina; second vice-president, G. S. Van Schaick of New York; secretary, Jess G. Read of Oklahoma. J. B. Thompson of Missouri is chairman of the executive committee.

chairman of the executive committee. Decision was reached to hold the midwinter meeting of the executive committee of the convention at the Hotel Pennsylvania, New York City, Dec. 5-6. The convention functioned effectively on the important issues confronting it.

(CONTINUED ON PAGE 18)

## Selection Problems Are Viewed from All Angles

An interesting feature of the annual meeting of the Medical Section of the American Life Convention in Chicago was the discussion of the selection problem by representatives of all phases of the business.

Representing the agents was John R. Hastie, president of the Chicago Life the Chicago Life Underwriters Association and associate manager Mutual Life of New York. Statistics show that one out of six applicants are being rejected when for-merly the rate was one out of nine. He said there seems to be a variance in the practice among company underwriters, some being more liberal than others. He asked who was right and whether greater uniformity could not be expected. Almost any well informed to the process. said there seems to be a variance in the pected. Almost any well informed life underwriter can shop around on bor-derline cases and succeed in placing business elsewhere on a standard or

business elsewhere on a standard or slightly rated basis.
In discussing over-insurance today, Mr. Hastie said that in his opinion there are some applicants who are entitled to the coverage for which they apply, despite the fact they have sustained a serious reduction in earned income during the depression.

#### Poorman Gives Actuary's Views

The actuary's aspect of selection was presented by W. F. Poorman, Central Life of Iowa. In discussing the suicide problem, Mr. Poorman said there is a general impression that an insured person who kills himself in order that his family may continue to live in relative luxury is a hero, the public not recognizing the fact that he is committing a fraud upon the insurance company. This factor makes it difficult for life companies to properly gauge the amount of coverage they can safely sell to any one person.

One of the biggest difficulties in determining the ratio of life insurance to the assured's annual earned income is the fluctuation in income during periods of prosperity and depression. Business of prosperity and depression. Business insurance or insurance upon the key man in a corporation presents many dif-ficulties, said Mr. Poorman. If the services of the assured are no longer needed, the corporation has the right to discontinue the policy on any anniversary date but it will scarcely drop the coverage if death is at all imminent. It is now recognized that volume alone, said Mr. Poorman, does not denote the sound company, but quality is necessary for permanence and success.

Recently the medical examiner's prob-ms have been intensified, said Dr. Charles Stewart of Philadelphia, in dis-cussing that phase of the selection prob-lem. Due to the influx of a large num-ber of inexperienced and ill-equipped agents into the selling field, the increased difficulty of obtaining new business has increased the percentage of sub-standard or uninsurable risks submitted for examination, thus increasing the average amount of time required to properly evaluate each risk. Agents pressed for money are tempted to groom risks and prepare them for examination in much greater degree when business is difficult. to get than when the going is easy. It has been necessary in recent months for the examiner to be unusually alert to detect risks of this type.

#### Home Office Viewpoint

The home office underwriter's viewpoint was presented by C. F. Barney, underwriting manager American Central He emphasized the need for all factors in the selection of risks to work together as many of the difficulties have grown up through lack of coordination. The general run of business now being written is less desirable than that of several years ago. A larger number of impaired cases are being presented, an unusual number requiring careful consideration of the financial or moral features involved.

Mr. Barney said that the popular 20 percent of the income rule was primarily intended for incomes exceeding \$5,000, and it should be scaled down as the income decreases. The full limit of coverage should not be permitted in sudden stages, particularly at the older

Debtor insurance should be watched said Mr. Barney, as the presence of a creditor denotes absence of other col-lateral and is evidence of general financial insecurity. In connection with business insurance, it is apparent that the sharp differentiation from personal insurance is not warranted, despite the temptation. The value of a life is not necessarily affected by the number of beneficiaries. Business insurance can be very speculative. While five times the salary ratio is fairly satisfactory for (CONTINUED ON PAGE 18)

## Great Issues in **Actuaries' Meet**

Group in American Institute to Survey Question of Cash and Loan Values

#### SESSIONS IN CHICAGO

Inflation, Annuities, Increasing Lapse Rate and Rewritten Policies Debated

The possible effect of inflation on life companies; the results of selling cash values too persistently for many years. rather than protection; the continuing advance in the lapse rate, particularly on policies with cash surrender values; rewritten policies and their effect on the business and annuities were subjects exhaustively discussed by the American Institute of Actuaries in the spring meeting in Chicago.

One product of the discussion is that committee of actuaries will make an intensive study of the whole subject of cash loan and surrender values, their origin, functions and changes in policies that may seem indicated as necessary. The feeling was strong that cash values have been entirely over-emphasized in selling and that companies because of competition have not taken full advan-tage of laws by using maximum sur-render charge permissible and more heavily penalizing the outgoing policy-

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#### Point Made by Roosevelt

It was pointed out that President Roosevelt in a radio talk stated the primary purpose of life insurance was to pay death benefits, and it was said by Arthur Coburn, North American Re-assurance, who proposed the informal study, that laws regarding cash and sur-render values would be more in the pub-lic interest if they set maximum values

which might be paid.

F. B. Mead, executive vice-president Lincoln National, president of the institute, sounded the key-note, saying life insurance has prospered through the cash values, yet it is almost impossible to operate under such conditions as to-

## COMMISSIONERS REELECT OFFICERS AT MEETING



GARFIELD W. BROWN, Minnesota



DAN C. BONEY, North Carolina First Vice-President



GEORGE S. VAN SCHAICK, New York Second Vice-President



JESS G. READ, Oklahoma Secretary-Treasurer

9, 1933

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## **New Liquidation** System Is Needed

Either Federal Machinery or Greater Cooperation of Commissioners Is Essential

VIEWS OF VAN SCHAICK

N. Y. Superintendent Cites Defects of Present Procedure in Address Before Commissioners Convention

Unless the insurance commissioners are willing to take the responsibility for bringing about needed improvement in present methods of liquidation of insurance companies, the federal machinery is likely to be put in motion for this work. This was the conclusion of Superintendent Van Schaick of New York in an address, which attracted much attention, before the Chicago gathering of the National Convention of Insurance Commissioners. So great was the interest in this talk, that, following its delivery, there was a rush for the platform on which were stacked copies of the manuscript and the supply was gone

an instant. After developing at some length the After developing at some length the defects in the present methods of liquidation, Mr. Van Schaick outlined two alternative reforms. One would be federal legislation under the bankruptcy provision and the other would be a positive voluntary program of cooperation under the auspices of the National Convention of Insurance Commissioners. The first method, he said, would be more ideal while the second would be more immediately practical.

#### Bankruptcy Act

Insurance companies are now excepted from the provisions of the national bankruptcy act, Mr. Van Schaick pointed out. Congress recently has shown a willingness to provide special provisions to meet extraordinary conditions. Hence congress may at some time consider the advisability of bringing insurance companies within the scope of the act.

scope of the act.

Such legislation, if planned by congress in response to the demand of an aroused public, would not likely be friendly to the interests of state supervision. The legislation, if supported by insurance supervisory officials, might well prove to be the solution.

A proposed draft of an amendment to the bankruntey act according to Mr.

Van Schaick, would permit the state supervisory officials at any time to apply to a federal court within whose jurisdiction a company is domiciled for liquidation or reorganization. The home state commissioner might make a petition or a certain number of com-missioners might unite in such a pe-

#### Primary Court Would Act

Primary Court Would Act

The court would hold a hearing and in the event of an adjudication would become the primary court in charge of the proceedings throughout the entire country. It would be the court of distribution of all general funds.

Each commissioner would be privileged to apply to a federal court in his state for appointment as ancillary liquidator. If he did not choose to do so, the primary liquidator would have the authority in such states. The duties of ancillary liquidator would be those of assisting the primary liquidator in a collection of assets and in a determination of local claims. He would distribute local special deposits and assets in

### Selected Chairman



DR. J. R. NEAL Abraham Lincoln Life

Dr. J. R. Neal, Abraham Lincoln Life, who has been vice-chairman of the Medical Section of the American Life Convention for the last year, was advanced to chairman at the Chicago

which there were valid local prefer-

Referees would be chosen from spe-cial panels appointed by the judges of the United States circuit court of apthe

The preferences in all general assets would be fixed by the statute. An adequate and regulated preference for the (CONTINUED ON PAGE 11)

## Lax Examinations Cause Premeditated Selection

The necessity for life companies to tighten up on their medical examinations and inspections was stressed by J. B. Mabon, associate actuary Sun Life of Canada, in his talk on "Premeditated Selection Against Life Companies" at the annual meeting of the Medical Section of the American Life Convention in Chicago.

in Chicago.

Applications and death claims, said Mr. Mabon, show that a considerable portion of the public exercises a premeditated selection against the companies applying for and frequently securing life insurance under conditions which show an absence of good faith so essential to a life contract. This is a problem at all times, but it is accentu-ated in times of depression as a result of a breakdown of morale caused by lack of money.

#### Looked On As One Sided

Although modern policies provide for the most liberal policy loans and cash values, disability benefits, etc., the old idea that a life policy is one-sided in favor of the company dies hard m the public mind, said Mr. Mabon. It is reflected in the many laws that deny the companies the protection they need against honest applications and death and disability claims. Many of the courts extend the policies far beyond the companies' intention.

the companies' intention.

The companies endeavor to attract attention by evidences of their strength and security, but in the public mind they are large and wealthy corporations which makes them fair game for any profit which may be gouged out of them. That the resources of a life insurance company are a trust held for the mutual advantage of all policyhold-

ers is ignored, as well as the fact that dishonesty robs honest policyholders. In a discussion of Mr. Mabon's paper, Henry W. Cook, vice-president and medical director Northwestern National Life, said serious selection against the Life, said serious selection against the companies, especially on larger risks, has produced an experience directly contrary to the general mortality trend. Dr. Cook reviewed the major factors in causing rising insured mortality: Increase in degenerative diseases, increase in suicide, competition among physicians for fees, overemphasis on volume, lapses, conversions to cheaper forms, decrease in new busiemphasis on volume, lapses, conversions to cheaper forms, decrease in new business. In order to check these factors the companies have practiced better home office underwriting, especially on borderline jumbo risks. Closer scrutiny is given the insurable interest and the relation of total liability to the earned income. Greater care is being taken in the selection of medical examiners and more attention is given to more thorough examinations, more emphasis being placed on the trained, informed underwriter in the field in rendering service to policyholders and the public.

#### Commercializing Influence Felt

Dr. Cook discussed the present day factors which tend to make it increas-ingly difficult to obtain adequate medifactors which tend to make it increasingly difficult to obtain adequate medical data. The sharp increase in their numbers oftentimes makes it necessary for agents to solicit and recommend poor grades of business and impaired individual risks in order to make livings. The commercializing influence has also spread to medical men and examinations gradually drift into the hands of doctors who report the fewest impairments. This does not imply that the agents are dishonest, but it implies that the more lenient medical examiners get the most business.

Insurance medical practices have remained relatively stationary compared with general medical practices and a man today can go to a clinic and get information with which to select much more intelligently against an insurance company. The applicant does not deem it his business to protect the companies if they are satisfied to still depend on the old, incomplete requirements in the hands of second or third rate men, while he is coached by the best modern medicine offers.

ern medicine offers.

#### Importial Examiners Needed

Over specialization in the home office underwriting has tended to put undue emphasis on mechanical methods of technique in organization rather than on care in the selection and cultivation of feld commisses. To the average law of field examiners. To the average lay-man a doctor is a doctor so the increas-ing authority of laymen in the medical selection has tended to lower the quality of the medical examiner employed. No factor is as essential in preventing selection against companies as the choice and use of high grade examiners. It takes an unusual physician to stand the grief of a strictly impartial examination of a prospect for an agent who brings him \$50 to \$100 a month in fees. Discrimination Is Needed

As long as the companies choose their examiners with as little discrimination as at present and subject their continuance to agency prejudice, said Dr. Cook, impartial examination will be beyond probability. Many of the highest grade examiners have been antagonized by the indifference of home offices in making them subject to the caprice and favoritism of agents. Personal experience has led them to believe that the companies do not want the facts, for if they report impairments they antagonize certain agents and receive no more nize certain agents and receive no more

## June's Graduates

This is graduation month. Graduation gives a thrill to every boy and girl, of course. And it gives an even stronger thrill to the father and mother, who have watched them from infancy, and cared for them, and loved them, and have been ambitious for them. For they now see the first fruits of their guardianship.

Custom presents the graduate with a commemorative gift. Parents are susceptible to the graduation appeal. A son or daughter could not have a more useful one than a life insurance policy, for it is an essential part of adulthood's equipment.

Close prospecting and quick action will bring profitable signatures.

Also, are you checking up on June bridegrooms? Let no altar-headed man escape!

THE PENN MUTUAL LIFE INSURANCE COMPANY

WM. A. LAW, President

Independence Square

PHILADELPHIA

## **Facts and Figures**

for the

# First Four Months of 1933

Ledger assets of the New York Life Insurance Company increased by \$19,484,-121 during the first four months of 1933. Total income amounted to \$125,683,055 while disbursements aggregated \$106,-198,934, including \$85,197,113 paid to policyholders.

New investments of \$15,678,073 were made during the four months' period.

Cash on hand and in banks on April 30 amounted to \$34,178,905, an increase of \$6,925,927 over the amount as of December 31, 1932.

Dividends paid to policyholders since the Company was founded in 1845 passed the billion dollar mark.

The New York Life agent is backed by a long-established mutual company combining conservative financial methods with aggressive sales assistance to the men in the field.



## NEW YORK LIFE INSURANCE COMPANY

51 MADISON AVENUE NEW YORK, N. Y.

HOME OFFICE BUILDING

## Public Confidence Is Greatest Asset

President Brown of Commissioners' Convention Addresses H. & A. Conference in Chicago

MUST HEW TO THE LINE

Ability and Integrity of Company Management of Prime Importance in Years to Come

Public confidence is the great reserve behind insurance, without which the financial reserves of a company however great are sure to diminish gradually and ultimately to vanish, President Garfield W. Brown of the National Convention of Insurance Commissioners, Minnesota commissioners, stated in his address at the Chicago convention of the Health & Accident Underwriters Conference this week.

While it is abstract in conception and has intangible values, public confidence is a definite, distinct force exerting strong tangible influence whose effects are real and concrete.

#### No Time for Complacency

It was this factor of public confidence that made it possible for insurance to weather the storm of the past four years with greater honor to itself than any other financial institution, Mr. Brown said. The insurance business through long years of fair dealing with and conscientious service to the people, in the main has been so conducted as to merit confidence and good will. Because of this fact he finds it of the greatest importance that no stone be left unturned in the effort to preserve and increase public confidence. Insurance cannot afford to rest on its oars; a successful past is no guarantee of a triumphant future.

Among the traditions of insurance is

Among the traditions of insurance is that a company executive should be of highest character, integrity and ability. He should be above suspicion. No company can build up public confidence without this type of executive. With few exceptions, Mr. Brown finds insurance failures were caused by lack of fundamental qualities of high character and unwavering integrity in the personal makeup of executives. When the crucial test came public confidence was lacking.

#### Self-Supervision Essential

The right kind of executives are not satisfied merely to operate within the law and regulations of insurance commissioners. They know that laws and regulation cannot provide for every possible contingency. They fix stricter bounds. He said the reason why insurance today enjoys public confidence to such an unusual degree is that a great majority of companies are self-supervised. In fact, he said, public confidence in assets of a company is in direct proportion to the degree in which it is self-supervised.

#### No Miracles Are Possible

Mr. Brown said an insurance commissioner is expected to be a mracle worker. He is given something of executive, legislative and judicial powers. The tasks loaded on his shoulders are gigantic. The wonder is not that insurance commissioners have fallen short of being prodigies, but that they have done as well as they have.

of being prodigies, but that they have done as well as they have.

Mr. Brown said health and accident insurance is a glorified philanthropy, doing more to alleviate suffering, reduce evils of want and poverty and keep the

#### F. B. Mead Again Head of American Institute



F. B. MEAL

F. B. Mead, executive vice-president of the Lincoln National Life, eminent actuary and life underwriter, who has contributed much in thought and expression to the cause of insurance, was reelected president of the American Institute of Actuaries at its meeting in Chicago last week.

home fires burning than any other business in the world; bridging the gap between sickness and health, disability and strength; keeping the life policy in force and the American family together, without humiliation of charity. It is a vast, fertile field which scarcely has been scratched, offering great opportunity for constructive development.

Mr. Brown touched on the danger of

Mr. Brown touched on the danger of government control of insurance and said it behooves insurance men to watch their step. He said all that is necessary is to chart the future course from the landmarks of safety that have guided the business in the past. It is necessary to hew still more closely to the line that experience has taught is safe.

About 50 agents attended the outing of the Iowa-South Dakota agency of the New England Mutual Life at Clear Lake, Ia.

IN THE COURT OF APPEALS OF FRANKLIN COUNTY, OHIO. State of Ohio, ex rei. John W. Bricker, Attorney General. Plaintiff, vs. American Insurance Union, Defendant, No. 2326.

NOTICE OF APPOINTMENT. Notice is hereby given that by order of the Court of Appeals of Franklin County. Ohio, entered on the 3rd day of May, 1933, Charles T. Warner, as Superintendent of Insurance of the State of Ohio, and Hugh M. Bennett, of Columbus, Ohio, were appointed Co-Receivers for the American Insurance Union, a Fraternal Benefit Society, organized under the laws of the State of Ohio, with instructions to possess themselves forthwith of the books, papers, monies and other assets of this Society, and under the direction of said Court to proceed to rehabilitate or close the affairs of this Society and to distribute its funds to those entitled thereto. The Court further ordered at that time that the Society was enjoined from carrying on any further business.

JOHN W.
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Attorney General
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COUNSEL FOR
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CHARLES T.
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Superintendent of
Insurance of the
State of Ohio.
State House. Columbus. Ohio.
HUGH M. BENNETT, S. E. Long
St., Columbus.
RECEIVERS.

9, 1933

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#### Sudden Death Came to Agency Man of Northwestern Mutual

C. H. PARSONS WAS STRICKEN

Formerly General Agent of Company at Toledo and Brought to Home Office in 1925

MILWAUKEE, June 8.—C. H. Parsons, 72, director of agencies for the Northwestern Mutual Life died at his home Monday night of heart disease, following a stroke of apoplexy with which he was stricken at his office Monday afternoon just before he was to leave for his home after the day's work. He apparently had been in good health, having returned last week from a long business trip to the west coast. He was about his duties as usual Monday and had not complained to any of his associates about being ill, rather, he seemed to be in good spirit. Shortly after closing time, four o'clock, he stopped to talk to a secretary who was finishing some work and then went to his private office to await his automobile his private office to await his automobile to drive home. A short time later he was found stricken and was removed to

#### Mr. Parson's Career

Mr. Parsons was born in Ashland, New York, on May 8, 1861. He was associated with the Northwestern Mu-tual for about 35 years, becoming an agent at Utica, N. Y., on Aug. 24, 1898, where he soon became one of the fore-most producers. On May 20, 1904, he most producers. On May 20, 1904, he was appointed general agent at Toledo, where his ability as an organizer brought him into prominence with company executives and led to his appointment as superintendent of agencies at the home office on Nov. 1, 1925.

His son, H. R. Parsons, agent for the Northwestern Mutual at Toledo, was notified late Monday of the stroke, and promptly chartered an airplane, racing to Milwaukee to see his father before

promptly chartered an airplane, racing to Milwaukee to see his father before he died, but arrived too late.

Surviving him are his widow, his son, H. R. Parsons, of Toledo; a daughter, Marion D. Parsons of Milwaukee. Funeral services were held at the family residence, Wednesday afternoon, attended by many friends as well as company executives and agents from other cities. Burial was at Toledo, Ohio.

#### Occidental to Coordinate Accident-Health and Life

The Occidental Life of Los Angeles, which has had a separate agency organization for its accident and health department, will go on a new basis June 16. Hereafter a closer coordination is to be effected between that department to be effected between that department and the life department and all agents of the company will be stimulated to greater activity in the production of both classes of business. The change is expected to result in an improved showing for the accident and health department through greater production by the life men. the life men.

the life men.

The company probably will start the active writing of accident and health insurance in Canada at the same time. It is qualified for accident and health in the Dominion, where it has been writing life insurance for nearly five years, but has not been active in that field there. Now, however, life agents in Canada as well as in this country are to be encouraged to write accident and health. The new plan was announced this week by General Manager R. J. Giles, who was in Chicago for the meetings of the National Convention of Insurance Commissoners and Health & Accident Underwriters Conference.

The Ohio House by a vote of 105 to 1 has passed the Ward bill which permits the investment of fiduciary funds in an-

# LIFE INSURANCE as a

means of protection, or of savings-yes, even as an investment—has never had so strong an appeal to the public as at the present moment.

In this economic situation, the certainty of life insurance in its personal investment features stands out, particularly as a foundation on which to build home and family security—or for that matter business security.

Men and women likewise have been taught that life insurance can provide for their later years; that they can enjoy its benefits by means of a fixed monthly income for life.

With conditions as they are, the alert life underwriter will not permit his client to forget what past experience has taught; that a solid sense of financial independence comes from the knowledge of a well-considered insurance program for himself and his family.



#### Royal Union Life of Iowa Placed in Receiver's Hands

#### DIRECTOR FILES A PETITION

Declared That Company Was Authorized to Secure Loan by Reconstruction Finance Corporation

DES MOINES, June 8.—The Royal Union Life of Des Moines has been placed in temporary receivership, L. A. Andrew being appointed receiver. He is Iowa superintendent of banking. Ap-

Iowa superintendent of banking. Application to make the receivership permanent will come up June 24. Mr. Andrew stated he would resign as banking commissioner, effective June 20. His term would have expired July 1.

Application for receivership was made by H. A. Gross of Los Angeles, a director and stockholder, through his attorney, H. M. Havner, a former attorney-general of Iowa. In appointing the temporary receiver, Judge Dewey also enjoined the company from closing a second loan agreement with the ing a second loan agreement with the Reconstruction Finance Corporation.

Mr. Gross alleged that the company was preparing to withdraw securities from the insurance department in furtherance

of this proposed loan.

Mr. Gross further charged that securities had been withdrawn from the department to complete an earlier loan obtained from the R. F. C.; and that the company had made misrepresentations in its 1932 annual statement.

#### Receivership Was a Surp

Receivership came as a surprise Receivership came as a surprise to insurance men, as it was believed that difficulties under which the company had been laboring for some months were being solved under the management of a new group of associates headed by S. A. Apple of Oklahoma City, who was elected president.

The Royal Union recently had obtained approval for a second R. F. C. lean for \$2,800,000 on part of its real

tained approval for a second R. F. C. loan for \$2,800,000 on part of its real estate, and it was believed that this would place it in a favorable cash position. None of the money, however, has been paid over. A part of it is understood to represent past advances by the R. F. C. It was further understood that Mr. Apple and associates were about to purchase 300,000 shares of new \$1 par stock at \$1.25 a share, and this, together with the projected R. F. C. loan, would have placed the company on a sound footing. on a sound footing.

#### Operates in Many States

The company is one of the four largest life companies in Iowa. It owns its home office building here. It operates in Iowa, Nebraska, Minnesota, Kansas, Missouri, Ohio, Pennsylvania, Texas, Oklahoma, and District of Columbia. Its principal officers are S. A. lumbia. Its principal officers are S. A. Apple, president; C. Guy Anderson, and Apple, president; C. Guy Anderson, and B. M. Kirke, secretary-treasurer. W. K. Herndon is chairman of the executive committee. Mr. Apple and his associates purchased control last December, at which time A. C. Tucker retired as chairman of the board.

#### Allegations Are Made

Among other things charged in the

Among other things charged in the Gross' petition are these:
That the company had no earnings on which to pay dividends in 1932, yet, "in direct violation of law," did actually pay dividends in that year to stockholders of \$70,000; that exorbitant salaries were paid officers in past years; that dichursements last year exceeded that disbursements last year exceeded the revenue; that capital stock was rethe revenue; that capital stock was reduced from 2,000,000 shares of \$1 par value to 500,000 shares of the same par value in order to show unassigned funds in excess of its liabilities for its report last year; that officers purchased bonds of \$9,866,000 of which more than \$4,000,000 are either in default either as to principal or interest; that figures

#### Sales Gains in May Are Reported by Companies

As agents' month, May proved an outstanding one for the Great-West Life. Production was 18 percent over May, 1932, and the greatest since November, 1931. Sixteen agencies recorded gains with Michigan heading the list in volume.

The Connecticut Mutual Life registered an increase in issued business for May with \$10,146,512, compared to \$10,090,011 in May, 1932.

The Union Central Life reports increase of 17 percent in net paid-for business in May over April, with 42 agencies reporting substantial increases. Appli-cations for May exceeded April's ap-

plications by 22 percent.

The Mark S. Trueblood Los Angeles agency showed a 300 percent increase in paid-for business during the first

The Judd C. Benson agency, Kansas City, was first in submitted business in

The C. B. Knight New York agency increased its applications more than \$2,000,000 in May.

The Occidental Life reports an increase of 48 percent in written business during May. An increase of 14 percent is shown for the first five

The Bankers Life of Iowa reports the largest business for May of any month since September, 1932, with more than \$4,300,000 new paid-for production. This was 25 percent greater than in March and 16 percent over April.

A steady upturn has been noted since April 1, with increased purchases of life insurance by farmers, which indicates an improved buying power in the agricultural industry.

in the annual statement as to value of assets were placed at too high a figure.

The Royal Union Life is the result

a number of mergers and reinsur-ces. The Royal Union Mutual Life ances. The Royal Union Mutual Life was incorporated in 1886, succeeding a "friendly society" of the same title. The State Life of Iowa was incorporated Dec. 18, 1917, and started with an authorized capital of \$1,000,000. Later it was changed to \$2,000,000. Of the ances. 1931 capital increase \$400,000 was stock dividends and \$600,000 was exchanged for Des Moines life stock. The two companies merged and took the name of the Royal Union Life, In 1921 the companies to the Royal Union Life, In 1921 the companies to the Royal Union Life, In 1921 the companies to the Royal Union Life. pany took over the Surety Fund Life of Minneapolis. In 1922 it reinsured the Union Life & Accident of Lincoln. Union Life & Accident of Lincoln. That same year it took over the Occi-dental Mutual Benefit of Salina, Kan., and toward the last of the year reinsured the Mutual Life of Red Oak, Ia. In October of the next year it took over the Liberty Life of Des Moines and in 1924 reinsured the Standard Savings Life of Kansas City. Later it took over the Great States Life of Wichita, Kan., and in 1925 the Western Life of Des Moines and the National American Des Moines and the National American of Burlington. In 1926 it absorbed the Universal Life of Dubuque and the Medical Life of Waterloo. In 1927 it took the life business of the Peerless Life of Kansas City. In 1929 it reinsured the Roman Catholic Protective of Ft. Madison, Ia. The Des Moines Life & Annuiry was merged with the Royal & Annuity was merged with the Royal Union Life in June, 1931. At this time the capital was increased to \$2,000,000. On Dec. 31, 1931, it took over the health and accident business of the Great Western of Des Moines.

#### COMMISSIONERS HAD CONFERENCE

The commissioners of several states, including Minnesota, Missouri and Iowa held a session in Chicago last Friday on the Royal Union Life. The commission-

#### Valuations Committee Is Given Authority to Act

#### MAY ADOPT 1933 STANDARD

Commissioners Delegate Responsibility

#### to Make Decision Prior to Their December Meeting in New York

Inasmuch as annual statement time is several months distant and because the course of the security market is so un-predictable at this time, the committee on valuations of the National Conven-tion of Insurance Commissioners, at the Chicago meeting, did not spend much time in attempting to lay out any pros-pective course of action. However, the committee did submit a resolution, pective course of action. However, the committee did submit a resolution, which was adopted, authorizing the committee to establish a standard of valuations, subject to the approval of the executive committee, prior to the December meeting of the convention. The resolution reads: "Whereas it ap-

pears that it will be necessary for this convention to fix the basis to be used for determining the standard of valua-tions of securities listed in the statement of insurers for 1933 prior to the December meeting of this convention, in order that the valuation book may

"Resolved, that the committee on valuations is authorized with the apresolved, that the committee on valuations is authorized with the approval of the executive committee to fix such basis and determine such standards and that the committee be authorized to contract for the necessary valuation work and printing and distribution of the valuation book

Superintendent Van Schaick, as chairman of the committee, made the report and introduced the resolution.

#### J. A. Lott, G. W. Cass

The Capitol Life of Denver has appointed J. A. Lott as general agent for the city of Denver. He formerly repre-sented the Mutual Life of New York in Kansas City. G. W. Cass, Bismarck, N. D., formerly with the insurance de-partment of the Bank of North Dakota, was also made a general agent. was also made a general agent.

ers have had their eyes on this company for some time, but held off because of repeated assurances of the officers that a refinancing program was about to be accomplished. The officers claimed to have a commitment from the Reconstruction Finance Corporation for a \$2,-500,000 loan contingent upon the com-However, apparently the commissioners last week decided that the program was largely visionary and the understanding is that they decided to ask for the appointment of a receiver Monday of this week.

Seemingly, the officers of the company became apprised of this decision and went into court Saturday on their own initiative.

The receiver has ordered all agents not to solicit further business until after the determination of a hearing on per-manent receivership. In the event that revenue is received on premiums at the home office before that date, it will be held in trust by the receiver pending outcome of the hearing. Meanwhile, the receiver has been compiling a schedule of assets and liabilities for use in the hearing. the hearing.

Commenting on the receivership S. A. Apple, president of the company, said:
"In view of the obstacles with which our company has been confronted during the past few months, we believe the action of the federal court in appointing a temporary receiver was a temporary expediency for the protection of our policyholders. We have the utmost faith that conditions will soon right faith that conditions will soon right themselves and that none of our policyholders will suffer any loss.

### **Patterson Tells** Medical Men of Agents' Problems

Greetings from the field were presented by Alexander E. Patterson, Chicago general agent Penn Mutual Life and vice-president National Association of Life Underwriters, to the Chicago meeting of the medical section of the American Life Convention.

Mr. Patterson questioned whether medical directors really know the problems of the agents. He said that agents can never understand why one good com-

cal directors really know the problems of the agents. He said that agents can never understand why one good company will reject a risk because of a medical impairment, while an equally good company accepts the risk later. There is other medical procedure which the agent does not fully comprehend, but he is sympathetic with the medical director's attitude because he realizes the consequences when an approved case "becomes an angel."

Mr. Patterson then presented the

Mr. Patterson then presented the agents's case, telling of the difficulties of selling today. "Do you understand his problems? He is on the street, or should be, day after day. He is temperamental, he is easily discouraged. It is not easy to sell life insurance today. Nor has it ever been. It is my belief that the average agent does not have Nor has it ever been. It is my belief that the average agent does not know all about every case he submits to you. But, by and large, he will tell you all he knows.

#### Few Dishonest Agents

Mr. Patterson said in his 25 years experience he could count on his fingers the crooked agents he has known, so he advised medical directors to write a friendly letter to the agent and his general agent for an explanation before he characterizes the agent as dishonest.

In writing letters to general agents rejecting cases, the value of a frank, friendly letter is great because the general agent has to satisfy the agent and build up his morale again after a rejection. Although much information must necessarily be held confidential by the home office, frankness wherever possible, is appreciated by the field man.

#### Pictures True Situation

"In conclusion," said Mr. Patterson, "let me give you one other impression most agents have of their home office selection departments. It is that the home office seems to feel that this applicant is intensely interested in having the insurance issued—that he can hardly wait until the policy is presented to him so that he may have the pleasure of writing his check-that he has been thinking it over for weeks and weeks, finally made up his mind of his own volition and phoned the agent to come and get his order! This may be true in one case out of a 1000, but no oftener. In the other 999 cases the applicant is most luke warm—he wants to wait until after the 4th of July or some other equally silly time—he is not particularly concerned about the amount, usually wanting a lesser figure—and in many, many cases not the clicktent bit most wanting a lesser figure—and in many, many cases not the slightest bit upset even if he is declined! Only the smallest possible percentage of life insurance has ever been bought—it is in force because Mr. John W. Agent has gone out into the high-ways and by-ways of this great country of ours and by dint of unsual energy strong page 12th the meaning of the strong page 12th the meaning of the strong page 12th the meaning of the strong page 12th the strong page 1 usual energy, strong personality, the use of unanswerable logic and downright stick-to-it-iveness has sold nearly all of the 109 billions of life insurance in force at the present time. We should never at the present time. We should never forget this. Please keep that in mind when you are judging a case from the cold facts as presented to you in a set of papers, completed, perhaps, 1,000 miles from your office." miles from your office.

Mrs. Gertrude Lane wife of Louis Lane and mother of Mervin L. Lane and Frank Lane of the Lane agency. Connecticut Mutual Life in New York city, died last week.

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#### H. & A. Conference Annual Meeting Held in Chicago

C. W. RAY CHOSEN PRESIDENT

Many Vital Topics in Accident and Health Underwriting Field Discussed at Convention

The importance of bringing about more uniformity in procedure in connection with certain major problems facing the business today, which can be accomplished only through the medium ing the business today, which can be accomplished only through the medium of such an organization, was emphasized by Chester W. McNeill, Massachusetts Accident, in his presidential address before the Health & Accident Underwriters Conference, which opened its annual meeting in Chicago Tuesday. He referred particularly to the variation as to valuation of securities, in that a life company writing accident and health business may amortize its bonds, while a specializing accident and health company or casualty company writing such a line is not allowed to value by such a rule in many states.

At the closing session C. W. Ray, president Hoosier Casualty, Indianapolis, was elected president and George F. Manzelmann, vice-president North American Accident, Chicago, chairman of the executive committee.

of the executive committee.

The timeliness of the topics covered

in the convention program brought out an unusually large attendance.

#### Bradley, Brown, Leland Speak

Other speakers at the opening session were Dr. Preston Bradley, pastor People's Church, Chicago, and Commissioner Garfield W. Brown of Minnesota, president National Convention of Insurance Commissioners, who extended greetings from the commissioners and told of their desire to cooperate in solving the pressing problems of the business.

ing the pressing problems of the business.

The only address Tuesday afternoon was by Dr. R. G. Leland, director of the Bureau of Medical Economics, American Medical Association, on "Medical and Hospital Insurance." He presented the viewpoint of the medical profession in regard to the proposals for hospital insurance made in the report of the committee on cost of medical care, and more recently endorsed by the American Hospital Association.

The annual conference banquet was held Tuesday evening, with President McNeill as toastmaster.

Reinsurance Problems Reviewed

#### Reinsurance Problems Reviewed

Speaking at the Wednesday morning session on "Accident & Health Reinsurance," Frank P. Proper, assistant secretary Employers Reinsurance, reviewed the heavy losses sustained by reinsurance."

the heavy losses sustained by reinsurance companies on accident and health business, as a result of which it is very difficult for a specializing accident and health company to obtain a satisfactory reinsurance treaty at the present time. Paul W. Watt, manager group department Washington National, spoke on "Group Accident & Health Insurance," telling of some of the problems involved in writing that class of business and the advantages which it offers.

#### Seek Reduction of Expense

There were also two round table discussions at that session. The one on "Reduction of Underwriting Expense" was introduced by John M. Powell, president Loyal Protective.

The discussion on "Reimbursement for Loss Other Than Time," was introduced in a paper by Cary Groton, junior vice-president Pacific Mutual Life, who devoted his attention to the medical reimbursement form which has been pushed vigorously by a number of companies in the last year or two. In his absence, the paper was read by E. C. Budlong, Federal Life.

At the afternoon session, James E. Powell, agency manager Provident Life & Accident, introduced the round table

discussion on "Our Increasing Loss Ra-

The final round table discussion was "Collection Methods."

#### Record for 1932 in Illinois

At the dinner given in Chicago last week in honor of Insurance Superin-tendent Palmer of Illinois, H. A. Beh-rens, president Continental Assurance, speaking for the life group gave some statistics in Illinois that are of interest. He showed that the business in force at the end of the year in the state was \$8,319,688,452. The premiums were \$259,037,983 and the disbursements to policyholders \$281,000,000. The latter item was increased due to surrender

#### Durham Heads Guardian Agency

The appointment of N. K. Durham as manager of its Louisville agency is announced by the Guardian Life. A native Kentuckian, he is an alumnus of Centre College, where he achieved prominence as a football player. Entering the life insurance business as a personal producer, he achieved immediate success in the field. The headquarters of the agency are in 682 Starks building.

#### Problem of Replacements Is Discussed by Actuaries

There was strong sentiment at the spring meeting of the American Institute of Actuaries in Chicago for an artute of Actuaries in Chicago for an arrangement among companies not to pay commissions on replaced business, although it was recognized it might be very difficult to enforce such a rule now while conditions are hard for the field force, although it might be done in more normal times.

J. F. Little, Prudential, said a routine in which companies are opposed to transfers would be beneficial. Reduced surrender values, he believes, would mitigate this evil.

T. A. Phillips, president Minnesota

T. A. Phillips, president Minnesota Mutual and institute vice-president suggested several methods that could be used. By writing all term business the evil could be eliminated, but this doesn't appeal to companies or agents. Lesser surrender values would considerably help the situation. Another sure way is to pay no first year companies or

centage of the total premiums in force. The present difficulty is to give the rewriting privilege to the deserving agent without giving him an incentive to re-write on a larger scale, and without materially helping the undeserving agent. The final step of no commissions would

solve the problem.
One suggestion, Mr. Phillips said, was to make renewals payable at all times, to permit the equity in the policy to be used for a new policy and spread over five years, with half the first year commission to the agent if the premium was paid in cash, and if not paid in cash

-no commission.

#### Close Up Mutual Benefit Concerns

The United Illinois Protective of Vandalia, Ill., and the Monarch Mutual Benefit of Vandalia, Ill., have been referred to the attorney general for liquidation. They are mutual benefit associations.

erably help the situation. Another sure way is to pay no first year commissions on substituted policies.

Still another is by a new agency contract with commissions based on a perspectively.

John C. Willis and Wm. B. Guisinger have been appointed managers of the Western & Southern Life district offices in Terre Haute, Ind., and Louisville respectively.



## **AGENCY CLUBS** Promote Interest



## PAN-AMERICAN CLUBS also HELP SALES

The spirit of contest is ever present in agency clubs. Both the companies and their Field Managers know their value in promoting interest in sales. Most companies conduct clubs to encourage volume production, regularity of writings and conservation.

Pan-American agency clubs include such functions but also offer actual aid in selling. Awards of one club set its members apart and distinguish them as leading Life Insurance men of their communities. Other club awards include approved insurance texts, advertising specialties in wide variety and use of the Home Office prospecting service— all of which definitely increase the Fieldman's opportunity for new sales.

Information about other advantages of Pan-American contracts may be had by writing

TED M. SIMMONS Manager United States Agencies



## PAN-AMERICAN LIFE INSURANCE COMPANY

NEW ORLEANS U.S.A.

CRAWFORD H. ELLIS, President EDW. G. SIMMONS, Vice Pres. & Gen. Mgr.

### Cash Surrender Values Are Studied by the Actuaries

PRESSING PROBLEM OF TODAY

Suggestions for Year's Waiting Period, Two Types of Policies Made at Institute Meeting

Cash surrender values, while they have been the backbone of American have been the backbone of American life insurance, have not been entirely a blessing. A great many suggestions for study by an informal committee of actuaries were given in discussion at the spring meeting of the American Institute of Actuaries in Chicago, Belief is quite general that companies should avail themselves of the full surrender charge permitted by law, which it was said apparently no company is doing.

said apparently no company is doing. W. P. Coler, American Central, said the surrender charge is necessary to discourage twisting, to protect companies against the effect of depreciation of securities, prevent the necessity for hav-ing to sell holdings on a depressed market.

#### Two Types of Policies

One important suggestion is to have two types of policies, those with cash values and others without. E. L. Marshall, vice-president La Fayette Life, said there has been some objection to the low cash value idea on the ground there might be a return to the old days of barter when companies bought back policies for the lowest price possible. He said perhaps there should be a specific provision in contracts permitting companies not to pay loans, rather

ting companies not to pay loans, rather than any permissive departmental rul-ing. With this provision and the policy loan moratorium, he believes companies could protect themselves legally much better than now and this would remove dangerous competitive features.

A. T. Lehman, Detroit Life, favored a minimum cash surrender charge of \$25. He approved the idea of two sets of policies and said the standard provisions should permit withholding cash values for one year rather than three months as at present.

J. F. Little, Prudential, said one suggestion was that surrender values should be demandable only within one month after the policy anniversary. Arthur Coburn, North American Reassurance, Coburn, North American Reassurance, stated that in his experience no more serious question has faced the com-panies than the one created by heavy demands of policyholders for cash loans and surrenders.

#### Receiver Is Requested for Farmers Union Mutual Life

Receivership for the Farmers Union Mutual Life of Des Moines is requested in a petition filed in Polk county district court by Fred and Herbert Bolte. The petition also asks for the appointment of a receiver for the Farmers Union Mutual Insurance Company, Judge Ladd set June 5 as the time for hearing the petition, which asks that Commissioner Clark be named receiver. The petition charges that the state law was violated inasmuch as Milo Reno and George DeBar were directors of both companies and the life company loaned the fire company \$30,000 illegally. A charge of mismanagement also is made.

Reno is president of the life company.

Reno is president of the life company. He attracted nation-wide attention through his activities as president of the Farmers National Holiday Associa-

In addition to the fire and life com-panies there is the Farmers Union Mututed against the company. The Farmers Union Mutual Life borrowed \$100,000 from the Reconstructon Finance

#### Agents of Central Life Honor President in June



June has been set aside as "President's Month" by the agency organization of the Central Life of Illinois in honor of its chief executive, Alfred MacArthur. Since 1929, the agents of the Central Life have paid special tribute to President MacArthur by producing in June an outstandingly large volume of business, with the result that for several years June has been the company's biggest month.

President MacArthur knows nearly all of the company's agents personally and

President MacArthur knows nearly all of the company's agents personally and intimately. He is democratic and believes in a close and sympathetic cooperation with the man in the field.

An agency breakfast was held in Chicago last week with Vice-president R. E. Irish presiding. All of the company's agents within automobile driving distance of Chicago were on hand and considerable enthusiasm for the work of "President's Month" was aroused among them. Mr. Irish announced that the "President's Trophy" will again be awarded to the agency producing the largest percentage of its quota in paid-for business in June, and that in addition an especially designed life insurance calendar will be given to all who produce business in June, the all who produce business in June, the number of calendars to be awarded depending upon the volume of business written. The agents of the Central Life have adopted as their motto for President's Month, "Go Prepared."

Corporation; the fire company \$40,000 and the automobile company \$45,000.

The life company was started in 1922. Insurance in force amounts to about \$11,00,000

One of the claims made in the peti-tion is that officers of the company now are attempting to organize a stock company and are solicting policyholders to exchange surrender value of policies for stock in the new enterprise, a portion of which contribution would go to en-hance the surplus of the company, now operating on a mutual basis.

Value of bonds purchased by the com-pany and numerous of its assets is questioned in the complaint.

#### **Budlong Attends Reunion**

R. C. Budlong, publicity manager for the Northwestern National Life, at-tended the 15th reunion of his class durrended the 15th retunion of his class dur-ing graduation exercises of Grinnell col-lege in Iowa. Before returning to Min-neapolis, Mr. Budlong stopped in Chi-cago, which is the home of his father, E. C. Budlong, educational director of the Federal Life.

## "Any Man Could Do It ---if He Would"

"If I know my business, it is because I have done without movies and theatres . . . and the things to which men are entitled, and instead have burned a lot of midnight oil finding out what this matter of estate planning is all about. Any man could do the same, if he would." Thus simply a threemillion dollar writer of 1929 sums up his success as a life insurance salesman.

## COMMONWEALTH · CORDIAL **CO:OPERATION**

Commonwealth Cordial Cooperation includes as a chief essential the belief that every agent must "know his business." Educational conferences and conventions-access to a full and complete library-carefully prepared sales literatureare a few of the methods and means through which Commonwealth agents learn the fine points of their profession. The sponsors of "cordial coopera-tion" have in mind the equipping of every agent to become a real insurance counselor. Do you want to be one?

COMMONWEALTH LIFE INSURANCE CO. LOUISVILLE, KY.

9, 1933

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#### American Mutual Alliance Furnishes Entertainment

MUCH HOSPITALITY AT HAND

Interesting Events Scheduled Outside Companies' Business Meetings Elicits Favorable Comment

The American Mutual Alliance of Chicago, the directing organization of the Federation of Mutual Fire Insurthe Federation of Mutual Fire Insur-ance Companies, National Association of Automotive Mutual Companies and the National Association of Mutual Casualty Companies, provided the en-tire entertainment for the National Convention of Insurance Commission-ers in Chicago last week. General Man-ager A. V. Gruhn, Secretary John M. Eaton and their associates deserve great ers in Chicago last week. General Man-ager A. V. Gruhn, Secretary John M. Eaton and their associates deserve great credit for the manner in which they looked after the outside activities. The American Mutual Alliance office staff was present, taking charge of the reg-

tration and looking after the details.

The Alliance provided a ladies' luncheon Thursday noon in honor of Mrs.

G. W. Brown, wife of the Minnesota commissioner, Mrs. Dan C. Boney, wife of the North Carolina commissioner, Mrs. Dan C. Boney, Wife of the North Carolina commissioner, Mrs. G. S. Van Schaick, wife of the New York commissioner, and Mrs. Jess G. Read, wife of the Oklahoma commissioner.

G. Read, wite of the Oklahoma commis-sioner, the officials of the organization On Thursday afternoon some 560 people attending the convention were taken by taxis to the world's fair grounds where they were transferred to buses and given an hour's ride in order to view the buildings of the exposition. A lecturer was assigned to each bus. In the evening all assembled in the Old

Heidelberg restaurant for dinner.

The guests following the dinner were allowed to visit various features of the exposition and then at 10:30 all were

taken to the Edgewater Beach in taxi-

Cabs.
On Friday cars were furnished for the ladies on a sight-seeing trip through the north shore and northern suburbs. On Friday evening the American Mu-tual Alliance had the convention peo-ple as its guests on a boat ride on the lake affording a night view of Chicago's sky-line and the illuminated fair grounds.

The entire program of entertainment furnished by this organization was car-ried out successfully in every detail and reflects great credit on the manage-

#### Actuaries' Institute Elects 16 Fellows and Associates

Ten fellows and six associates have been elected members of the American Institute of Actuaries since the last fall meeting. The new fellows are: A. B. Ambler, Jr., Lincoln National; J. S. Dixon, Northern Life of London, Ont.; H. L. Feay, New York insurance department; T. E. Gill, London Life; L. J. Kalmbach, Lincoln National; H. R. Lawson, Crown Life; Annie M. Lyle, Missouri State; C. E. Nelson, Missouri insurance department; H. A. Reise, Register Life, Davenport, and C. E. Rickards, Penn Mutual.

The associates are: J. F. Allen, Home Life of New York; E. M. Neumann, Prudential; C. F. B. Richardson, Confederation Life; Irving Rosenthal, Guardian Life; Neil Gilmour, Provident Mutual, and J. B. Maclean, Mutual of New York. Institute of Actuaries since the last fall

New York.

#### Lamar Life Enters Florida

Appointment of A. Lee Robertson of Nashville, Tenn., as Florida manager and the entrance of the Lamar Life in that state were announced by Dr. J. O. Segura, vice president and agency di-rector. Mr. Robertson is making his headquarters in Winter Haven, Fla.

#### Snaps at the Gathering of State Commissioners

Superintendent R. Leighton Foster, of Superintendent R. Leighton Foster, of Ontario, while in Chicago for the annual meeting of the National Convention of Insurance Commissioners, received notification that he had been designated King's counsel. This honor is bestowed by the King of England, on his birthday, on lawyers in the empire who have distinguished themselves. Annuacedistinguished themselves. Announce distinguished themselves. Announcement was made at the closing session of the convention of this honor and J. H. Lithgow of the Manufacturers Life of Toronto, explained what the distinction means. He expressed the belief that Mr. Foster is the youngest layer ever to receive such an honor. Superever to receive such an honor. Super-intendent Van Schaick of New York ex-pressed the gratification of the convention and Mr. Foster responded grace-

The new commissioner of Montana, John J. Holmes, who was formerly a general agent for the Minnesota Mutual Life, made many friends at the commissioners' convention. He distributed personal cards, made of copper, which attracted much interest. Incidentally, the new Utah commissioner, E. A. Smith, was also promoting the copper industry in the same way.

Mr. Holmes brought along the attorney general of Montana, Ray T. Nagle, who was in Chicago for a conference with attorney generals of a number of other states.

Memorials were adopted by the convention for two former commissioners, who died during the year, they being W. K. Chern, former Missouri superintendent, and A. I. Vorys, former Ohlo superintendent and former president of the National Convention of Insurance Commissioners.

On the bulletin board of the Edge-water Beach hotel, announcing various conventions, there was sandwiched be-tween the names of the National Con-

vention of Insurance Commissioners and the American Institute of Actuaries this significant convention: "National Asso-ciation of Insecticide & Disinfectant Manufacturers."

About half an hour after the convention was under way at its first session, President Brown called upon those commissioners who had come in after the roll call to identify themselves. Several commissioners did so and then W. A. Tarver of Texas, the immediate past president of the convention got up. He said that although he was no longer a commissioner he felt he was very much akin to one, because he represented the United States of America. Mr. Tarver is employed by the Reconstruction Finance Corporation to help supervise leave to Corporation to help supervise loans to insurance companies.

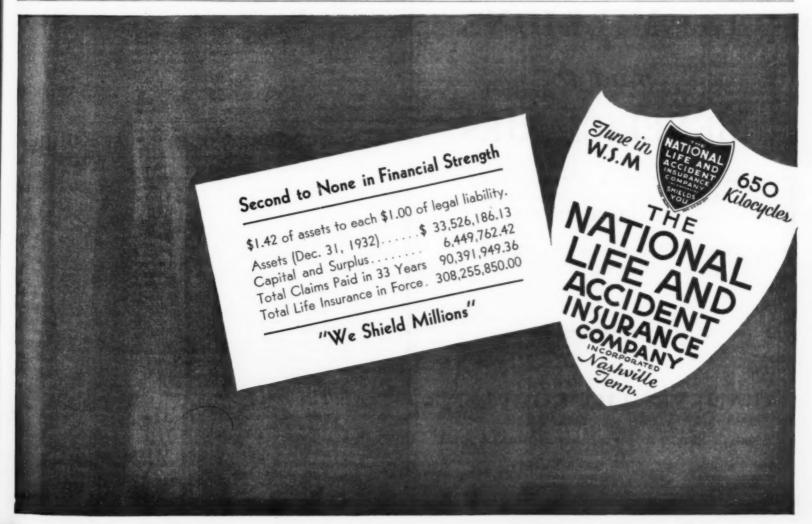
#### Connor Is Portland Head

At Annual Meeting of the Oregon Life Underwriters Association Officers Were Chosen

PORTLAND, ORE., June 8.—R. C. O'Connor was elected president of the Oregon Life Underwriters' Association at the annual meeting. Other officers were vice-president, T. H. West; secretary-treasurer, L. C. Lewis, and executive committee, Frank Paris, Dallas Sidwell, Julian Coblentz and Tom Stinnette. Three winning students in the life insurance class of the University of life insurance class of the University of Oregon, gave insurance demonstrations.

Oregon, gave insurance demonstrations. The organization voted to change its name to the Life Underwriters' Association of Portland, Ore.

L. O. Schriver of Peoria, Ill., third vice president of the National association was the principal speaker. "As soon as Americans recognize the depression as a general crisis they will work out of it. The depression, he stated, extends not only to business but also to art, literature, religion and statesmanship."



#### Constitutionality of Rules Challenged in the Court

TEST POWER OF OFFICIAL

Interesting Suit in New York City Arises Over Moratorium on Loans and Surrenders

NEW YORK, June 8 .- An effort to test the constitutionality of the New York department's restrictions on loans and surrender values has been made by N. C. Norman, a policyholder of the Equitable Life of New York. In view of the liberalized restrictions, just announced, it is unlikely the case will go

Since the plaintiff took the position that he was entitled to a loan without any attempt on his part to comply with the conditions contained in the emergency rules laid down by Superintendent Van Schaick of New York, the Equitable had no alternative but to resist his claim. The decision as to whether his claim is well founded must be determined by the courts.

#### Higher Lapse Ratios Are **Product of Depression**

The last four years have had a drastic The last four years have had a drastic effect on persistency, it was shown in the spring meeting of the American Institute of Actuaries in Chicago. F. D. Kineke, Prudential, gave figures from a study by his company. On paid up life policies for the years 1928-1932, the lapse rates rose from 2.6 in 1928 to 4.1 in 1932. The lapse rates for calendar years on premium paying policies were 1928—10th year 3.2, 15th year 3.7, 20th year 2.3; 1932—10th year 8.6, 15th year 8.1, 20th year 6.

year 2.3; 1932—10th year 8.6, 15th year 8.1, 20th year 6.

In 1929 the lapse rate on large amounts was 99 percent of the 1928 rate. In 1930 it was 130 percent; 1931, 142 percent, in 1932, 143 percent.

S. E. Allison, vice-president Pan-American, commented on the increase in lapse rates of policies with cash surrender values, ascribing much of this to the policy loans.

#### Terminations Are Mounting

H. V. Jackson, National of Vermont, said the experience of his company's agencies was analyzed for all premium paying contracts except term. In 1929 total discontinuances, actual to expected, were about the same ratio as for the period 1927-1929. In 1930 they ran 119 percent; 1931, 150 percent; 1932, 234 percent. Mr. Beatty of the Canada Life said the lapse rate on premium paying policies in 1932 was 4½ percent and on paid up 5½ percent. It was higher on paid up policies because these appear to be a better nest egg to draw on. Large risks still show high mortality, but he expects improvement with better economic conditions.

Mortality is a subject closely related to the economic developments of the last four years. Percy Evans, actuary Northwestern Mutual, said the policy-Northwestern Mutual, said the policyholder who is slipping medically is more subject to surrender and use the money than the life practically as good as when it was insured. He stated that cash values tend to maintain vitality of the mass of policyholders. If the increase in terminations rises from excesses such as from an inflation period, he said, he does not believe this will be reflected in a worse mortality rate but improvement may be expected.

Suicides have been a big problem, being responsible for most of the excess mortality of the Northwestern in the last few years. He expects an improvement in mortality and says much

the last few years. He expects an improvement in mortality and says much of the "frothy" business of the last few years is running off. Termination rates of his company ran from 7½ percent in 1928 up to 12 percent in 1931.

J. R. Larus said the rewriting of selected risks would result in higher mortality in the older groups and when

tality in the older groups, and when placed in the ultimate group they are no better than the average.

#### Cochran Men in Conference

Mutual Life's Agents in the Inland Empire Giving Good Account of Themselves

SPOKANE, WASH., June 8.—The Spokane agency of Mutual Life of New York was host to the 40 representatives SPOKANE, WASH., from key cities in the Inland Empire.
The conference was conducted by P.
L. Cochran, manager for eastern Washington, northern Idaho and western Montana.

He discussed results for the first five months. John F. Patterson, Missoula, Mont., ranks as leading producer for the agency, while R. H. Loveless of

Spokane made the highest increase in

new business.

W. C. Peterson, agency organizer,
W. G. Peterson, agency organizer, spoke on cooperative effort, and J. F. McLaughlin, assistant in organization explained the new Mutual Life system of agency instruction and selling

of agency instruction and selling methods.

E. W. Pettibone, service representative and former professor of economics in Cornell University gave an interesting discussion of the economic world discussion. situation. Other speakers were Agents L. T. Bostwick, O. R. Bolen and W. E. Durant of Spokane, also P. R. Rice, Wenatchee.

In a survey it was found that while the applications are smaller in 1933 than in previous years, the Spokane agency staff obtained more than 100 more applications during the first five months of the year than in the similar period of 1932

#### Hard on Shoe Leather

The New England Mutual is conducting a campaign this month designed to wear down the shoe leather of its agents. The idea is to get the producers into action and make contacts with

a large number of people.

A prize of an electric clock is being offered to agents who see 50 policy-holders during the month and another prize of 25 note books will be given to prize of 25 note books will be given to agents who see 25 other eligible prospects. Then there is a prize of a handsome leather bag to agents who write and pay for five applications during the month, which is styled "Policyholders' Month."

#### Baumann Changes Companies

J. B. Baumann has been appointed general agent of the Pacific Mutual Life at Fort Worth, Tex., to succeed E. D. Bennett, resigned to devote himself to personal production.

Mr. Baumann after leaving the Uni-

versity of Minnesota joined the Aetaa Life and has represented that company in Hartford, St. Louis, New York, Dallas and the past two years in Fort Worth. He is vice-president of the Fort Worth Association of Life Under-

H. C. Beatty has been made district manager of the Lincoln Liberty Life at Wichita with a territory of eight coun-

The Elwood, Ind., office of the Westers & Southern Life has been added to the Anderson district, under Manager A. W. Kohlstaedt.

## U. S. Supreme Court Trust Ruling

The income of a trust is considered the income of the creator when applied to the maintenance of insurance on his life, according to the United States Supreme Court in a ruling sustaining the validity of section 219(h) of the revenue act of 1924-26. The section is intended to prevent the evasion of taxes by means of provisions allowing distribution of the income to the grantor or its use for his benefit.

Iustice Cardozo, who wrote the opin-The income of a trust is considered

its use for his benefit.

Justice Cardozo, who wrote the opinion, on the appeals of Irenee du Pont and Frederick B. Wells, said that a policy of life insurance is a contract susceptible of ownership like any other chose in action. "It is 'not an assurance for a single year with a privilege or renewal from year to year by paying the annual premium.' It is 'an entire contract of assurance for life, subject to discontinuance and forfeiture for nonpayment of any of the stipulated premiums.'

any of the stipulated premiums.'
"Insurance for dependents is today in the thought of many, a pressing social duty. Even if not a duty, it is a common item in the family budget, kept up very often at the cost of painful sacrifice, and abandoned only under dire compulsion. It will be a vain effort at persuasion to argue to the average man, that a trust created by a father to pay premiums on life policies for the use of sons and daughters is not a benefit to

the one who will have to pay the pre-

the one who will have to pay the pre-miums if the policies are not to lapse.
"By and large, the purpose of trusts for the maintenance of policies, is to make provision for dependents, or so at least the lawmakers might not un-reasonably assume. Trusts to give in-surance to creditors are beneficial to the grantor, by reducing the grantor's indebtedness.

"Trusts for the preservation of policies of insurance involve a continuing exercise by the settlor of a power to direct the application of the income along predetermined channels.

"In this they are to be distinguished from trusts where the income of a fund, though payable to wife or kin, may be expended by the beneficiaries without restraint, may be given away or squandered, the founder of the trust doing nothing to impose his will upon the use.

#### Does Not Play Despot

"Congress does not play the despot "Congress does not play the despot in ordaining that trusts for such uses, if created in the future, shall be treated for the purpose of taxation as if the income of the trust had been retained by the grantor. It does not play the despot in ordaining a like rule as to trusts created in the past, at all events when in so doing it does not ease the burden backward beyond the income of the current year." rent year.



# 180 MILLIONS paid to BENEFICIARIES

Since organization, in 1879, this Company has paid a total of \$180,555,012.46 to the beneficiaries of Bankers Life policies.

Payments to beneficiaries in 1932, alone, aggregated \$10,324,123.57.

## BANKERS LIFE COMPANY

Gerard S. Nollen, President

Established 1879

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### **New Liquidation** System Is Needed

(CONTINUED FROM PAGE 3)

wages of employes would apply universally in all states. A uniform preference to compensation claims would likewise so apply. Such preference would have a superiority to claims of the federal government. Under the present system, he said, there are preferences for compensation claims by statute in half a dozen states. Qualifying bonds are required in others. How far such laws are valid against assets in other states no one knows.

such laws are valid against assets in other states no one knows.

The claims of the United States would receive a regulated preference amenable to the rest of the law just like other claims. The present federal preference statute, Mr. Van Schaick stated, overrides all state laws. In the case of a surety company, the federal law paralyzes the liquidation of the company and prevents distribution to any claimants, even those holding compensation awards.

ants, even those holding compensation awards.

Mr. Van Schaick expressed the belief that such a statute would not constitute a first step toward general federal supervision of insurance.

As to the other course—a program of cooperation among the commissioners—Mr. Van Schaick said that many courts would undoubtedly go a long way to surmount ordinary legalistic difficulties if there is a concerted effortupon the part of others similarly situated to conduct the proceeding in an enlightened manner.

The efforts of individual commissioners, he said, to tighten the relationship

rs, he said, to tighten the relationship between the various proceedings are in-significant in comparison with what may be done by the National Conven-tion of Insurance Commissioners.

#### Standard Agreement Form

There should be a standard form of agreement between primary and ancillary receivers. A written expression of the desirability of cooperation in such form as will be approved by the local court, he said, would enable the receiver at times to act in a manner which would otherwise be impossible. A form of agreement which is standard and which has the approval of a body of recognized standing would be acceptable at times where an agreement containing the same provisions but enjoying no such prestige would not be entertained.

The convention, he said, should consider adopting an official attitude upon certain general principles. For instance, the liquidation of an insurance company should be conducted everywhere under one set of laws, both substantive and procedural. procedural.

All creditors of the same class, wherever they are, should be treated equally and should share to a proportionate extent in the distribution of

assets.

When creditors of apparently the same class are in different classes owing to some provision of state law, the consequences of this difference should be followed through without any effort to retaliate or to compensate in the liquidation proceedings.

#### Interpretation of Statute

The interpretation of any state statute should, where possible, be left for determination by the courts of the state in question. Unsatisfactory determination should be appealed rather than nullified in some collateral way.

There should be one central distribution of all general assets to all general claimants.

claimants.

Schaick pointed out that independent receivership proceedings are often instituted in many states. They are usually sponsored by former employes or creditors. In some of these actions, the moving creditor receives a preference. In the liquidation of one New York company such a receivership by a large creditor threatened to absorb all of the assets in that particular state. Under these circumstances receivership is no assets in that particular state. Under these circumstances receivership is no better than attachment, he pointed out.

#### Affairs Permitted to Drift

Affairs Permitted to Drift

In other states nothing is done and the affairs of the company are left to drift until the primary liquidator has time to attend to them. Debtors are able to avoid payment for a long time and sometimes never pay.

Under the present uncertainty of the relationship between the various proceedings it is often impossible to know what to notify claimants to do as to filing claims. There is no uniformity of policy with regard to assisting assureds whom the company was defending under liability policies. The employes of a company in some states will have a preferred claim for wages.

In a creditor receivership, the size of the receiver's fees depends upon the amount of assets collected. Each receiver feels obligated to collect as much as possible.

amount of assets collected. Each receiver feels obligated to collect as much as possible.

Claims against casualty or surety companies particularly are for the most part unliquidated. Unless there is some general basis for the liquidation of these claims the allowances in the different states will differ greatly.

In some states the receivers are required to defend all lawsuits brought by claimants rather than to centralize litigation in the receivership proceedings. This penalizes the whole estate and all other creditors by the heavy cost of such defenses. The acceptance of claims filed after the last day set for the filing of claims is another matter in which local practices differ.

Sometimes the policies of a company are treated as canceled by the order of liquidation in one state while the courts of another state hold them not to be canceled.

The basic cause for the defect in the

canceled.

The basic cause for the defect in the system of liquidation is that the state agencies to whom the matter is entrusted do not have sufficiently broad jurisdiction.

#### Guardian Campaign Success

Six Weeks' Drive for Consecutive Pro-duction Was Staged Throughout the Entire Field

The "Six Weeks of Consecutive Weekly Production" campaign conducted by the Guardian Life from April 17 to May 27, proved to be one of the biggest successes in its history.

A quota of lives for the period, based on an application each week from every manager and full-time agent was assigned. The results achieved were slightly over 129% of the quotas assigned.

signed.

The New York (Doremus) Agency had the largest representation of app-aweek producers. Pittsburgh was second and Los Angeles ranked third. Atlanta, Buffalo, Denver, New York (Bragg), Omaha, St. Paul and Tampa finished in a deadlock for the fourth largest expresentation.

finished in a deadlock for the fourth largest representation.

The Kansas City agency led the entire field in percentage of quota attained, more than quadrupling its assigned goal.

The leading individual producer for the campaign was R. S. Marvin of the New York (Tyson) agency with 78 applications. Sig Kaplan of New York (Bragg) ranked next with 54. Third honors were taken by Mrs. Berenice Meistroff of Kansas City with 46, and A. L. Beck of Buffalo was fourth with 44. Claimants.

Claimants whose claims are contested should have some opportunity for a day in court in the state of their residence. Claims made both against special trust deposits and generally against the assets of the company should be determined only once.

Under the present system, Mr. Van

(Bragg) ranked next with 48.

Meistroff of Kansas City with 46, and A. L. Beck of Buffalo was fourth with 44.

Dr. W. R. Ward, medical director Mutual Benefit Life, is visiting agencies in the bouth and discussing medical selection with the field men.

## Coler Tells Effects of Inflation

Actuary W. P. Coler of the American Central Life in a discussion before em-ployes of his company gave some views on the effect of inflation on economics in general and life insurance in par-

with Professor Chew of Indiana University, who recently told the Indianapolis Actuaries Club that the direct effect of inflation on life insurance will probably be: (1) Reduced mortality; (2) increased premium income; (3) increased policy loan repayments; (4) decreased policy loan demand; (5) increased reinstatements; (6) improved market price of low-grade bonds; (7) improved real estate and mortgage conditions; (8) decrease in value of highgrade and government bonds unless the latter are artificially supported; (9) help by relieving frozen bank deposits; (10) increase in expense rates; (11) the agent's work will be easier. in general and life insurance in particular.

He pointed out that inflation might be regarded in two ways: (1) As a rise of all price levels; (2) as a devaluation of the dollar. From the latter standpoint, it is evident that inflation will aid debtors, particularly those foreign countries which are obligated to the United States and which presumably will be allowed to pay in paper dollars instead of in gold.

According to Mr. Coler the thing most needed to bring about a sound, world-wide economic situation is a stable price level, subject to but little fluctuation. He looks upon the period through which we are now passing as one in which debts, incurred during the twenties, are being liquidated either by payment out of the current incomes of the people or by exchange of properties to the creditor—the consequent reduction in purchasing power having started the downward spiral.

Mr. Coler is in complete agreement

## Complete Life Insurance Service

which includes:

Policies for men, women and children from 1 day to 70 years.

Children's policies with Beneficiary Insurance.

Disability and Double Indemnity benefits.

Special clause providing Surgical and Dismemberment benefits may be included in policies.

Participating and Non-participating.

Special Monthly Sight Draft Premium Plan.

Sales Planning Department.

NEW ECONOMIC LIFE PLAN DESIGNED ESPECIALLY TO MEET PRESENT CON-

Henry W. Buttolph President

George Graham

J. DeWitt Mills Superintendent of Agents

V. F. Larson Secretary

## Central States Life Insurance Company

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ST. LOUIS, MO.

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### Movement Towards Uniformity

the NATIONAL CONVENTION OF INSURANCE COMMISSIONERS in CHICAGO observed an increased tendency on the part of members of the convention to march in step with each other and consequently to function more effectively. Recent events have impressed upon state officials the desirability and necessity of acting uniformly. In the background undoubtedly is the threat of federal supervision if the present system cannot be more properly shaped to meet present conditions.

The life insurance moratorium has caused the commissioners to cut through boundary lines and act in concert. Although the diverse life insurance restrictions that were promulgated probably offered no greater differences than exist among the states in the mass of other insurance laws and regulations, they seem more confusing because they were projected suddenly in the various jurisdictions. The regulations were issued practically simultaneously in many states and the differences stood out. The companies through the years have adjusted themselves to differences in the various states and these differences have been part of the knowledge of the insurance company executives. But the current life insurance situation brought

Those attending the annual meeting of differences among the states, which seemed indigestible. Therefore the commissioners were practically driven to function uniformly and in the emergency they performed admirably.

DALLAS OFFICE 1514 Kirby Bldg., Tel. 2-4491 b B. Humphrey, Resident Man

DES MOINES OFFICE 627 Insurance Exchange R. J. CHAPMAN, Resident Mans

Now there are other points of difference which may be attacked. For instance, SUPERINTENDENT VAN SCHAICK OF NEW YORK desires that attention be given to the complications that arise in interstate liquidations of insurance companies. Because of his recommendations, a committee was appointed to study the question

A number of new commissioners attended their first convention in Chicago. They enter their work unprejudiced by former conceptions and as they assume leadership, they will be able to steer the convention further on the new path, which it seems to be taking.

The old way is the easiest way and if the commissioners' convention can be made a more effective organization, from a national point of view, it can meet the emergencies and obviate the necessity for federal control. The NATIONAL CONVEN-TION OF INSURANCE COMMISSIONERS should be able to act authoritatively and influentially on questions of national importance that are at stake.

## Danger in Partial Comparisons

THERE is great danger of injustice being Owing, however, to the great demand done to life companies by statistics of all sorts, ratings and attempts to make comparisons largely because the full particulars are not given. Back of every company is its management. Some companies may be in temporary difficulty because of unwise investments or other causes but given time will emerge with credit. Looking at a company from a statistical standpoint, the figures may not tell the entire story. For example, we have before us a chart gotten out by a New York publishing house which gives "total income" and "total disbursements."

In case of some companies the disbursement items exceed the income. That under ordinary times would be a danger signal and naturally policyholders would question a management when

on companies last year and a few years previous for surrender and policy loans, the disbursement item is out of proportion to what it is in normal times. In the chart, the disbursements include the surrenders but the income column does not include the reserves released by these same surrenders. If the reserve thus released were added to income in order to offset the surrender values paid the income would then exceed the disbursements. Agents using this and other charts where all the details are not explained do a serious injustice to well managed companies.

Owing to whispering campaigns some companies have been subjected to greater withdrawals than others. of the disintegrating factors in life insurance building is the overtime workit allows its outgo to exceed its income. ing of rumor factories. Depression to it.

## PERSONAL SIDE OF BUSINESS

C. M. Biscay of Cincinnati, advertis-ing manager of the Western & Southern Life, has written a brochure entitled "The Great State of Ohio" that is isthe sued in connection with the Century of Progress Exposition in Chicago. Mr Biscay presents Ohio's achievement along various lines. It is a bird's eye view of the great old Buckeye state.

Harvey R. Payne, Miami, Fla., man-Harvey R. Payne, Miami, Fla., manager of the Prudential has completed 25 years of service. At a dinner given in his honor A. E. N. Gray, assistant secretary, presented Mr. Payne with a certificate of the Prudential Old Guard and several gifts. Mr. Payne has served in practically every district in Florida.

C. C. Herrick of Newark, recognized as the oldest active life underwriter in as the oldest active life underwriter in this country, will be 90 years old June 24. Up to last spring he worked six days a week, but he met with an injury to his hip and since that time has worked only five days a week.

Mr. Herrick has seen 19 of the 32 presidents and has shaken hands with

presidents and has shaken hands with many of them. The first president he saw was Franklin Pierce. His first insurance connection was with the Aetna Life in the early '60s. He served as manager in New Haven and in 1869 took over the New Jersey state agency. In 1903 he joined the Prudential

which started business eight years after Mr. Herrick went to New Jersey, and completed 30 years' service with that company last month.

H. S. Nollen, president Equitable Life of Iowa, was one of three prominent men to receive the LL. D. degree from Drake University of Des Moines this week. The others were Henry A. Wallace, Secretary of Agriculture Roosevelt cabinet, and O. E. Scott, St. Louis investment banker and lawyer. Mr. Nollen also holds a B. S. degree from Central College, Pella, Ia.

W. LeG. Simrell, secretary of the Mu-tual Life of New York, died last week in the Brooklyn hospital from heart ailment. He was 70 years of age. He joined the Mutual Life in 1893 as a stenographer and in 1906 was made domestic auditor. In 1918 he was made general auditor and in 1924 secretary. He attended New York University law school and was admitted to the bar in

The Philadelphia agency of the Northwestern Mutual Life this week celebrated the 50th anniversary of Thomas L. Fansler's connection with the company. Mr. Fansler will later visit the home office as he is the only living agent of the company with 50 years of service. He watched the company grow from \$20,000,000 resources to \$977,000,000 and insurance in force from \$100,000,000 to \$4,100,000,000. Mr. Fansler is 78 years old and started with the Northwestern in the office of Dean & Payne, then general agents for

S. Y. Matthews, of S. Y. Matthews & Son agency, representing the Indianapolis Life in Dallas, died Sunday evening. Mr. Matthews was one of the prominent citizens in Dallas and north Texas. He

seems to stimulate that sort of industry. In these days life companies of repute deserve every possible consideration. We have no sympathy with a management that is commercial, that is plunging and exploiting policyholders' funds. We have every confidence in a management that is doing its level best to build up a company worth while and appreciates the responsibility entrusted was looked upon by his company and the insurance men in his state as one of the most outstanding and successful managers

managers.

The Matthews agency has enjoyed an enviable standing in Dallas for many years. Its work with the Indianapolis Life began in 1921. Under the leadership of Mr. Matthews, who has been aided in recent years by his son, Paxton, this agency has grown to be one of the this agency has grown to be one of the leading agencies of the state.

Col. Lloyd T. Binford, president of the Columbian Mutual Life of Memphis who holds the military title by virtue of an appointment by Governor Conner of Mississippi, now has been given the same rank by Governor McAlister of Tennessee.

M. R. Prenner, actuary of the North Dakota department, is now in his home city of Rochester, N. Y., recovering from a second serious operation, which he underwent recently.

Plans are being made by Willard I. Hamilton, vice-president Prudential, to open his summer camp at Lake Winnepesaukee, N. H. His family will remain there all summer and Mr. Hamilton plans to spend the month of August

H. W. Curiel, actuary of the Illinois Life for many years, is planning to re-turn permanently to England some time this year to settle down in Suffolk. He was born and raised in the British Isles. He has been an actuary some 36 years, for a number of years being in the actuarial department of the Royal in England, then going to Mexico where he was actuary for a Mexican life company about eight years. He went to Chicago as actuary of the Illinois Life 15 years ago. He has been active in the American Institute of Actuaries where his opinions were highly rewhere his opinions were highly re-spected, and for many years was li-brarian, being only the second one in the institute's history of 25 years. He resigned at the annual meeting in Chicago, due to his contemplated departure. Mr. Curjel also has been one of the old guard in the Chicago Actuarial Club.

J. F. Fogarty, grand master workman the Ancient Order United Workmen Washington, was again elected to the office at the annual convention in Tacoma. Mr. Fogarty has served in his present capacity for the past 16 years.

Charles E. Becker of San Antonio, president of the Great American Life, Mrs. Becker and their son Charles, Jr., together with Miss Hazel Allred, have been spending a number of days in Chicago attending the World's Fair. Mr. Becker was at the Edgewater Beach during the insurance commissioners' conference. Miss Allred is one of the office secretaries of the Great American her brother being attorney gen-of Texas. Mr. Becker is one of the eral of Texas. Mr. Becker is one of the youngest executives in the country and his company is in a very liquid condi-

The Home Beneficial of Richmond will present an ambulance to the Richmond Community Hospital June 18.

The company, which has a large sick and industrial business among the coland industrial business among the cored people of the city, is greatly interested in the hospital, operated for the benefit of members of that race. B. L. Jordan, secretary-manager of the Southern Aid Society of Virginia, is treasurer of the hospital.

Ralph Wade, deputy commissioner of Michigan, last week underwent a mas-toid operation at a hospital in Lansing.

Upon retiring as chief examiner for Texas department, J. D. Carter was

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presented a watch and chain by employes of the department. Mr. Carter has served the department in various capacities for ten years. He was actuary and office manager for the fire insurance department from 1925 to 1930, when he became deputy commissioner. when he became deputy commissioner of the life department. When the examining division was created in January, 1932, he was made chief examiner. He will open an office in Austin, specializing in insurance law.

insurance lawyer of Des Moines and former deputy commissioner of Iowa under the late Commissioner Arthur Savage, was in Chicago last week attending the commissioners' meeting and this week present at the meeting of the Health & Accident Underwriters Conference. He is making a trip through the central west.

ry, 1932, he was made chief examiner.

de will open an office in Austin, spejalizing in insurance law.

S. L. Breaux, an organizer of the Pan American Life and vice-president and director until 1918, died of heart disease at the age of 73 years.

## As Seen from Chicago

PALMER'S THREE PURPOSES

Insurance Superintendent Palmer of Illinois responding to the sentiment of the hour at the banquet tendered him in Chicago last week said that he had three purposes in mind in his office. In the first place, he said that Illinois companies should be sound and honestly managed. No company of any other state he said should be admitted to Illinois unless it could pass muster and be recommended. In the second place, he said that policies sold in Illinois should be fair and reasonable. The public Insurance Superintendent Palmer of said that policies sold in Illinois should be fair and reasonable. The public should get full value received. In the third place, he said that agents and insurance salesmen should be honest and well qualified. Every man selling insurance in any capacity should have a license, he said. He asserted that Governor Horner has taken a deep interest in the cause of insurance and is in sympathy with every movement to strengpathy with every movement to streng-

pathy with every movement to strengthen the department.

W. D. Williams of Rockford, Ill., manager of the Security of New Haven and president of the Western Underwriters Association, made a plea for as much self government in insurance as possible. There should be freedom of action and responsibility placed on management, he said. The public, he declared, gets the best service and the most reasonable rates if companies are not so tightly restricted. He said that antidiscrimination laws have not proved successful.

Insurance Commissioner G. W. Brown of Minnesota, president of the National Convention of Insurance Commissioners, and Manager A. V. Gruhn of the American Mutual Alliance, both referred to the threat of federal regulation of insurance and expressed themselves as being opposed to it.

Secretary W. H. Bennett of the National Association of Insurance Agents, who has spent much time recently in

who has spent much time recently in Washington, also came out strongly for state control. He said that the commissioners are endeavoring to do their utmost for the best there is in insurance.

#### INSURANCE STOCK QUOTATIONS

H. W. Cornelius of Bacon, Whipple & Co. of Chicago gives the following recent insurance stock quotations.

	Pa	r Div.	Bid	Asked
Aet	na Life 10		16	17
Pol.	Nat100	8.00	95	105
Con	n. General 10		26	28
Con	t. Assur., 111, 16	2.00	24	27
Con	t. Casualty 5		8 1/2	10 73
Life	of Va 26		68	73
Lin	coln Natl 16	2.50	28	30
Nat	l. Cas 16		5 14	6 1/2
Nev	World Life. 10		4	5
N. '	W. Natl 5		11	14
Pac	. Mutual 10	2.00	23	24
Sun	Life, Can 100		360	380
Tra	velers100	16.00	350	360
Wis	Natl 16	1.00	9	11
	ste	also also		

#### ILLINOIS LEGISLATIVE RESULTS

The Illinois bill (H. B. 1053) to impose strict qualifications on life agents is in the house insurance committee. This meludes accident and health agents and brokers. It seems likely that two measures, one permitting life companies to attach an aviation exclusion rider to policies and the other having to do with bankruptcies and making it impossible hankruptcies and making it impossible for creditors to seize cash values of life policies, will be passed.

H. B. 961, the anti-rebate and anti-

twisting bill, is on second reading in the house. There is some opposition to this measure. A new bill filed last week, H. B. 1035, would make it unlawful for companies rating or grouping insurance companies to offer their service for sale, companies to offer their service for sale, such as under a subscription plan, but will permit distribution of the information to policyholders and prospective insurance buyers who make specific requests for the data. Penalties ranging from \$500 to \$2,000 are prescribed.

H. B. 1046, a department measure. authorizes only the director of trade and commerce of Illinois to seek and obtain appointment of receivers for carriers, except a judgment creditor may do so after giving notice to the director. The department bill authorizing stock life companies to become mutuals was passed by the house.

Two general tax bills are being closely watched, one imposing 3 percent occupational tax, specifically mentioning life agents, and the other a 1

tioning life agents, and the other a 1 percent general income tax. These are beng held in abeyance pending decision being held in abeyance pending decision as to the general taxation policy. If a general 3 percent sales tax is adopted, the two bills will be abandoned. H. B. 1000, abolishing the department of trade and commerce and establishing a separate insurance department, is on third reading in the house and is expected to

### News of Pacific **Coast States**

#### Coast Actuaries Hold Parley

Many Questions of Current Importa Discussed at Meeting of Club in San Francisco

Questions of current importance were discussed at a recent meeting of the Actuarial Club of the Pacific States in San Francisco with Francis M. Hope, vice-president and actuary of the Occidental Life of Los Angeles, presiding as head of that organization.

Among the topics discussed were: Investment situation with probable marking down of value of securities; trend of interest earnings, probable de-crease in 1933 compared with 1932 on receipt basis and on earned basis; the present moratoria relating to payment in cash of cash surrender and cash loan values, as pertaining to the present demand, desirable restrictions of these privileges in future contracts and neces-sary modifications in the law, advisa-bility of limiting size of single premium contracts with large cash values.

## AN ARROW TO ITS MARK

LIFE INSURANCE FLIES UNERRINGLY TO THE RESCUE OF MANKIND WHEN HELP IS MOST DIFFICULT TO OBTAIN ELSEWHERE AND
WHEN AID IS MORE SORELY
NEEDED THAN AT ANY OTHER
MOMENT IN LIFE.
PICTURE A FRIEND—QUIET, UNOBTRUSIVE, ALMOST UNAPPRECIATED—WHO STANDS IMPAS.
SIVELY BY WHILE THE FRUITFUL
POWERS OF MANHOOD EARN ALL
THAT IS ESSENTIAL TO HAPPINESS,
AND THEN—WHEN THE STORMS
OF OLD AGE OR DEATH DRIVE
AWAY LIKE STRAWS THE NORMAL
SUPPORTS OF EXISTENCE AND
ONE STANDS DESOLATE, EMPTYHANDED, AND FORSAKEN—RUSHES
INSTANTLY FORWARD TO BEAR
THE BURDEN WHICH IS SO SUDDENLY IMPOSEDI IN DEED A
FRIEND!

TRUTHFULLY CAN IT BE SAID THAT OF OLD **\*\*\* \*\*\*** FRIENDI RIEND!
TRUTHFULLY CAN IT BE SAID THAT
LIFE INSURANCE SERVES BEST
WHEN ALL ELSE IS AT ITS WORST;
THAT ITS FULL VALUE IS NEVER
REACHED UNTIL OTHER VALUES
HAVE DEPRECIATED OR VANISHED.

# AMERICAN CENTRAL LIFE

INSURANCE COMPANY INDIANAPOLIS, IND.



## PROTECTION 1844 PROTECTION 1933!!

¶ "BACK TO FUNDA-MENTALS" is the tendency among life insurance leaders today.

¶ BUT protection in 1844 when the STATE MUTUAL

was first organized and protection in 1933 are two widely separated points of view.

THE FAMILY INCOME CONTRACT is the greatest contribution of the present generation to the future welfare and happiness of women and children. It provides twice the protection at a price the family man can afford to pay.

"HER DADDY CARED" tells the story of this modern contract in language your prospect will understand.

## STATE MUTUAL LIFE

ASSURANCE COMPANY WORCESTER, MASSACHUSETTS

Incorporated 1844

able that the economic upheaval should able that the economic upheaval should affect temporarily the market or day to day values of securities of life insurance companies. However, he said, since liabilities are due to be dispersed more or less evenly over the lifetime of the generation of policyholders, that amortization theory of valuation for sound hands not in default in equal to the context. zation theory of valuation for sound bonds not in default is scientific regard-less of whether for the time being the market value is temporarily below or above the book value.

and other reducible expenses and the curtailment of dividends to stockholders and policyholders as prudence deems

necessary.

R. B. Richardson, vice-president and actuary of the Montana Life, is vice-president of the club and Leslie Cooper, assistant actuary of the Pacific Mutual, secretary

Most of the members expressed the less of whether for the time being the market value is temporarily below or above the book value.

These are times, he said, to prepare for write-off as, when and if needed. That the life companies are protecting their reputation for strength is evident by the widespread reduction in salaries!

Most of the members expressed the belief that the present moratoria should be continued until it is more definitely apparent that economic and financial conditions are stabilized. Some of the members expressed the belief that the present moratoria should be continued until it is more definitely apparent that economic and financial conditions are stabilized. Some of the members expressed the belief that the present moratoria should be continued until it is more definitely apparent that economic and financial conditions are stabilized. Some of the members expressed the belief that the present moratoria should be continued until it is more definitely apparent that economic and financial conditions are stabilized. Some of the members expressed the belief that the present moratoria should be continued until it is more definitely apparent that economic and financial conditions are stabilized. Some of the members expressed the belief that the present moratoria should be continued until it is more definitely apparent that economic and financial conditions are stabilized. Some of the belief that the present moratoria should be continued until it is more definitely apparent that economic and financial conditions are stabilized.

tention to adequate surrender charges in the calculation of surrender values

#### Kirkwood With Yeomen Mutual

R. J. Kirkwood has been appointed general agent for the Yeomen Mutual Life at Portland, Ore. He began his insurance work while still a student at Pacific University, paying his expenses through college in this way. For a time he was an editor and publisher on the Pacific Coast, and later a member of the Oregon legislature for two terms.

#### G. P. Porter Opens Agency

George P. Porter, formerly state audi-

tor and commissioner of insurance of Montana, has established a local agency at 704 State street, Helena. He intends to write all kinds of insurance including fire, casualty, surety bonds and life. He is now seeking companies. Mr. Porter has a wide acquaintance and will no doubt build up a strong agency.

#### Ask Data from Companies

The committee of the Arizona legis-lature that has been investigating the Arizona state corporation commission has asked insurance companies to furnish data regarding taxes and fees paid by them to the commission in the last two years.

## ACCIDENT AND HEALTH FIELD

#### Renewal Rates Are Increased

Travelers to Charge New Rates on Old Medical Reimbursement Form **Business After July 1** 

Following its recent change of rates on new accident business written on the medical reimbursement form, the Travelers has notified its field force that the same change of rates will apply to busi-ness renewed on and after July 1. Rates on certain health policies have also been raised.

The new rates on the reimbursement The new rates on the reimbursement accident policies on class A risks are \$35 instead of \$30 on the R(1) policy issued in units of \$5,000 principal sum and \$25 weekly indemnity with reimbursement limit of \$500; and \$26.50 instead of \$25 on the R(2) policy which is the same on the R(2) policy, which is the same as the preceding contract, except that it has no principal sum benefit.

#### No Announcement by Others

Increased rates on new business on the reimbursement form became effective April 1 for most accident companies. However, with the exception of the Aetna Life and the Connecticut General Life, this form has been written only a short time by any company but the Travelers, and it is considered unlikely that companies generally will follow the Travelers action on renewal business. No announcement has been made by the Aetna Life or Connecticut General, both of whom started writing the reimbursement form about a year later than the Travelers.

later than the Travelers.

Agents of the Travelers have been urged to see their policyholders to ex-plain the reason for the increased rates. which is based on more unfavorable ex-perience on both accidental deaths and non-fatal accidents. While the company points out the desirability of getting the assured to renew his policy at the new assured to renew his poincy at the new rate, it points out that if he does not wish to pay the new rate, he can con-tinue at the old rate by eliminating the first two weeks of disability by a rider which applies to renewals only, or the policy may be renewed for reduced amounts of principal sum and/or weekly indemnity by endorsement.

#### Limiting Weekly Inde

The company is also limiting weekly indemnity under health or health portion of disability policies to \$100. Policies issued for larger amounts must be reduced or rewritten on a present-day form for not more than the \$100 limit. Premium rates on renewals of house-confinement forms of health and health nortion of disability policies will be \$8

portion of disability policies will be \$8 from ages 18 to 50 and \$11 from ages 51 to 60 for each \$5 of weekly indemnity. Certain forms of health and disability policies will be \$8. disability policies providing life in-demnity health coverage will be con-tinued only if a rider is signed limiting the weekly indemnity in case of disa-bility by disease to 52 weeks.

The premium rate for certain health policy and health portion of disability policies with limit of 52 weeks for disability by disease will be \$10 from ages 18 to 50 and \$13 from ages 51 to 60 for

each \$5 of weekly indemnity. For other such contracts the rate will be \$9 and \$12 respectively. Certain other cancelable forms providing life indem-nity for disability from disease will not be renewed, but the company will consider applications from these insureds for new policies on present-day forms.

#### Ask New Standard Provision

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Commissioners at Chicago Gathering Requested to Endorse Proration of Medical Reimbursement

A special committee of the accident and health committee of the National Convention of Insurance Commissioners, of which G. A. Bowles of Virginia is chairman, was petitioned at the Chicago sessions to endorse a proposed new standard provision calling for the proration of medical reimbursement benefits. The company representatives who appeared before the committee were R. E. Hall, associate general counsel of the Aetna Life, and F. Robertson Jones, general manager of the Association of Casualty & Surety Executives. The committee announced to the convention that this question had been referred to a subcommittee for further study and to a subcommittee for further study and possible action at the time of the executive committee gathering in New York City Dec. 5-6.

The new standard provision, which would be the 21st, as proposed by the company representatives, reads:

"If the insured has other personal accident insurance in this or other com-

"If the insured has other personal accident insurance in this or other companies or both, by the terms of which provision is made for payment of the actual expense of medical or surgical treatment, hospital charges and nurses fees, the company shall not be liable for a greater proportion of such expense than the maximum amount of such payment provided by this policy bears to the total of the maximum amount of such payment provided by amount of such payment provided by all such insurance."

#### Midland Casualty Taken Over

Great Northern Life Also Reinsures Accident and Health Business of American Bankers

The Great Northern Life has taken over all the assets and liabilities of the Midland Casualty of Milwaukee, writing accident and health only, which is being merged with the Great Northern. It has also taken over all commercial and monthly premium policies of the American Bankers as of June 1. The American Bankers is to take care of all claims arising prior to that date. arising prior to that date.

John Patterson, president of the Mid-

land Casualty, becomes vice-president of the Great Northern and will have entire charge of the new monthly premium department which it is opening. He will have associated with him in that department his son, Kenneth Patterson, who has been secretary of the Midland.

In connection with this expansion move, the Great Northern has increased



There's a new answer to life insurance problems in the Mutual Benefit's new type of ordinary life contract. Constructed with a minimum investment element, yet avoiding the disadvantages inherent in term insurance, it offers the highest type of permanent protection at a minimum of initial outlay.

## THE MUTUAL BENEFIT

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### TRIPLE INDEMNITY LIFE INSURANCE

with Weekly Accident Disability in One Contract for One Premium

#### Inquire

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available at Cincinnati, Ohio; Columbus, Ohio; Toledo, Ohio; Erie, Pa.; Harrisburg, Pa.; Detroit, Michigan.

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its capital to \$319,000 and plans to enter several additional states where the American Bankers had a considerable volume of business. It adds about \$300,-000 to its annual accident and health premium income.

premium income.

The Great Northern is now licensed in 21 states. The Midland Casualty was entered in Wisconsin, Illinois, Indiana, Michigan, Ohio, Pennsylvania and Mis-

Souri.

The American Bankers has now withdrawn entirely from the accident and health field, having quit the weekly premium business some months ago. It is retiring from nine of the 16 states in which it has been operating—California,

Alabama, Florida, North Carolina, Arizona, District of Columbia, Georgia, West Virginia and Michigan.
The American Bankers now will de-

The American Bankers now will devote its efforts to the development of its industrial and ordinary life insurance, according to C. Y. Rowe, who recently was elected president. In the company's recent reorganization Frederick H. Rowe, who organized the company twenty-six years ago, retired as president and he was succeeded by his son, C. Y. Rowe, E. R. Franklin of Jackson-ville was elected treasurer, and R. G. Steacy, formerly actuary, now is assistant secretary and actuary. R. Y. Rowe continues as vice-president.

# **NEWS OF THE COMPANIES**

Federal Judge Wilkerson Criticizes
Illinois Life Reinsurance Proposal-Hearing June 13

Hearing on objections of Federal Judge Wilkerson of Chicago to the pro-posed contract of reinsurance of the Il-linois Life, to have been Wednesday, was postponed to June 13. After several weeks' consideration, Judge Wilker-son announced changes that must be made before he would approve the agreement.

The judge took exception to a provision permitting reinstatement of policies lapsed prior to final approval of the agreement, but not after that date, and reasonable notice to policyholders. Exception was taken to provisions setting maximum salaries of officers at \$92,000 and allowing up to \$75,000 management fee. This latter does not seem proper provision for determining reasonable compensation, the judge said. Objection was made also to the provision permitting rewriting Illinois Life policies. The judge said "opportunity for unreasonable profit" should be expressly eliminated.

Questions Liquidation Method

#### Questions Liquidation Method

Questions Liquidation Method

The machinery of a liquidating agent appears more complex than the usual receivership, Judge Wilkerson said. If this plan remains in the contract it would require a memorandum on the court's authority to dispose of assets before proof and claim payment, more complete showing on the precise method of paying claims, and statement as to compensation of the liquidating corporation and staff.

Judge Wilkerson also insisted on a definite commitment of the Kemper interest to pay in \$1,250,000 capital and surplus as originally proposed. The court stated adequate provisions for enforcing the contract could not be found in it. Much clarification of provisions is required, Judge Wilkerson stated. Many of his points were on this score.

#### Report on the Peoples Life

The convention examination made of the Peoples Life of Frankfort, Ind., by Indiana, Kentucky, Michigan and Ohio as of Dec. 31 last shows the company in excellent financial condition. The assets were placed at \$7,940,141, surplus \$400,000, contingency reserve \$140,098. This is a sterling company with E. O. Burget, the president, as the great pilot.

#### Brown Made Vice-president

R. W. Brown, conservation specialist of the American Life of Denver, has been elected a vice-president. He joined the home office in June, 1931, following his graduation from Yale. A few months later he became conservation officer. During his college course he had specialized in mathematics, business administration, and life insurance and administration and life insurance, and developed many ideas for reinstating lapsed business. He was made a director in February, 1932. He is a son of

Requires Changes in Contract the late Robert Brown, former general manager of the company, and a nephew of President J. C. Burger.

#### E. C. Armstrong Advanced

The Mutual Life of Canada has appointed E. C. Armstrong assistant actuary. After graduating from the University of Toronto. Mr. Armstrong spent eight years with a prominent United States company. Since joining the Mutual of Canada in 1932, he has been in charge of group insurance.

#### American National Report

Assets of \$13,160 and liabilities of \$25,891 were reported in the last statement of the condition of the American National of Indiana filed in circuit court at Kokomo, Ind. The company has been in receivership for several weeks and the liabilities listed are mostly death claims. C. T. Brown is receiver.

#### Savings Fund Life Starts

The Savings Fund Life of Anderson, Ind., a mutual legal reserve life company, has been licensed.

#### New Company to Sell Stock

The Commonwealth Life of Los Angeles has been authorized to sell and issue 25,000 shares of stock, par value \$10, at a selling price of \$15. Authorized capital is \$1,000,000 divided into 100,000 shares. A. Otis Birch and F. H. Heinick are to serve as president and secretary respectively.

The Union Pacific Assurance of Omaha, has been reinsured by the Service Life of Lincoln, Neb.

#### NEWS OF LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values and all Chasques in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest," published annually in May at \$5.00 and "Little Gem" published annually in March at \$2.00

#### Plan to Reenter Annuity Field

Northwestern Mutual, Which Discontinued Writing These Contracts in 1919, Resumes This Summer

The Northwestern Mutual, which from the period 1890 to 1919 wrote an immediate life annuity and then discontinued this contract for various reasons, chief of which was uncertainty as to adequacy of the rate due to the incompleteness of American experience, some time this summer will announce its reentrance into this field.

The company, according to Percy Evans, actuary, has made the decision to issue two contracts, an immediate non-participating life annuity and a refund annuity.

Mr. Evans says better experience is available at this time. The contract probably will be issued on a noncompetitive basis, he said.

For 29 years, during which it wrote

annuities, the Northwestern Mutual issued only 296 of these and Mr. Evans says now has in force only approximately 150.

The rates to be charged cannot as yet be stated, as most of the companies writing annuities are at the moment contemplating the advisability of increasing the rates, due to many factors, including longevity of annuitants, reduced yield from investments, etc.

#### Open Larger Rochester Office

A formal opening of the expanded office of the Buffalo Mutual Life in Rochester, N. Y., was attended by George W. Curtis, president; E. Parker Waggoner, first vice-president and superintendent of agents, and J. C. Kreinheder, assistant secretary and agency supervisor. supervisor.

This agency was established Feb. 1 at 244 Cutler building under F. C. Sickels, district manager. The amount of business as well as the number of agents

secured has made it necessary for Mr. Sickels to expand his office.

This agency is engaged in a contest with the New Rochelle agency in June and interest is very keen.

#### Oklahoma Managers Elect

Marmaduke Corbyn, Oklahoma City, general agent of the Central States Life, has been elected president of the Okla-homa General Agents & Managers As-sociation; R. T. Shipley, Penn Mutual, vice-president, and A. B. Irwin, North-western Mutual, secretary.

#### Reset Reece Trial

The trial of Joseph I. Reece, for-mer Tennessee insurance commissioner, charged with a theft of \$100,000 in state bonds, has been reset for June 20. Mr. Reece has been confined to his home in Bristol, Tenn., with an acute



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#### MISSOURI

#### ALEXANDER C. GOOD

Consulting Actuary

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Send 9 cents in stamps for sample copy of THE ACCIDENT & HEALTH REVIEW.
The only exclusive accident and health paper. It gives ideas and suggestions that help you sell income protection insurance.

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### LIFE COMPANY CONVENTIONS

Conference of Agents From Indian Ohio, Illinois and Iowa at Home Office

INDIANAPOLIS, June 8.—As an appropriate wind-up for "Manly Month," a district meeting of Indianapolis Life representatives from Indiana, Illinois, Ohio and Iowa, was held at the home With something over a million of new business issued in May in honor of President F. P. Manly, the record for the month last year was beaten by sev-eral thousand. Sixty out-of-town men were on hand and about 90 attended the

business session.

Among those who took part in the practical program of sales talks were R. E. Sheppard of Chicago, who explained the use of the coin bank in selling insurance; W. E. Eickhoff, of Fort surance; W. E. Eickhoff, of Fort Wayne, who gave reasons why juvenile surance offers a field of opportunity just now; C. F. Harroll, of Dayton, Ohio, who described the system and plan which have been used by the Dayton agency, bringing in \$37,200 of new business n the first two weeks after the agency contract was signed; A. H. Kahler, of Peoria, Ill., told what he says to his policyholders and prospects in answer to question of today.

Mr. Manly spoke on "Investment Topics of Vital Interest to Agents and Policyholders." Paul Speicher, of Insurance Research and Review, spoke on "Methods Used by Successful Men in Getting Business in 1933." Other speakers were were Chester Meeting and I. W. ers were Chester Martin and J. W. Schwab of Indianapolis; Harold Plack, of Davenport, Iowa, and Bruce Mygrant of Marion, Ind., and Vice President E. B. Raub, Treasurer A. LeRoy Portteus, and W. Irving Palmer of the home office.

A noon luncheon was served at Mr. Manly's country home.

#### Sales Conference in Atlanta

J. B. Webster, regional superintendent of agencies of the Penn Mutual Life, and E. Paul Huttinger, manager of training, held a three-day sales and training conference in Atlanta. On Friday Mr. Huttinger was the guest of honor and principal speaker at the monthly luncheon of the Atlanta Life Underwriters Association.

#### Business Men's Gathering

The Business Men's Assurance will hold a two-days' sales conference in Indianapolis June 9-10, with representatives present from Ohio, Illinois, Michigan and Indiana. President W. T. igan and Indiana. President w. 1. Grant will be present from the home of-

Indianapolis Life's Parley fice, accompanied by J. C. Higdon, vice-president and agency manager, F. B. Conference of Assatz From Indiana Alport, underwriting; Grant Torrence and G. J. Tritch, sales department. Also there will be present State Managers Ross Roberts of Michigan, H. G. Stratman of Ohio, C. E. Mitchell of Illinois and F. W. Moller of Indiana. About 200 will be in attendance.

#### Central of Iowa Meeting

Approximately 100 agents of the Central Life of Des Moines will be guests of the company at the Century of Prog-

ress exposition in Chicago, Aug. 15-17. Agents selected will be those who at-tained a certain quota of business the past year. Company meetings will be held at the Hotel Stevens, in charge of J. H. Leaver, recently appointed super-intendent of agents. These meetings originally were scheduled for January but were postponed to take advantage of the attractions of the exposition.

#### Postpone Agency Schools

DES MOINES, June 8.—Postponement of schools for the \$100,000 Club, the President's Premier Club and the Agency Managers' Club, planned for August, has been decided upon by the Bankers Life of Iowa. Qualifications are to be completed and suitable recognition will be given. nition will be given.

## As SEEN FROM NEW YORK

#### WATCH PROGRESS OF BANK BILL

Insurance men are watching the progress of the amendment to the Glass-Steagall banking bill in Congress, which would separate banking and insurance in all member banks, state and national, in the federal reserve system. Both bills have been passed by respective houses and are now in conference. Congress-man Hancock of North Carolina was a leader in the attempt to exempt towns of 5,000 or less. The House rejected any amendment.

#### CASE REGARDED AS IMPORTANT

The importance of the favorable decision which the New York City Life Underwriters Association and other defendants involved received in the libel action brought by R. B. Meisnere is action brought by R. B. Meisnere is pointed out by D. B. Maduro, counsel of the association, who said that an adverse decision would mean a drastic curtailment of the activities of the ascurtailment of the activities of the association's business conduct committee. The suit was brought by Mr. Meisnere on the ground that an affidavit by Leo Eisen, one of the defendants, was libelous because (1) the association of his name with that of C. A. Legg, then recently convicted of violating the insurance law was harmful; and (2) because ance law was harmful; and (2) because it caused the Prudential to cancel an agent's contract which he claimed to agent's contract which he claimed to have with that company; and (3) that the Prudential by communicating the information in the affidavit prevented him from getting a contract with other companies.

"As far as the association is con-cerned," said Mr. Maduro, "it is most important that the activities of the association and the practice of its business conduct committee should not be limited by the fear that every time the associa-tion did something or said something it would be subject to a libel suit. case seems to dispense with that element of fear so far as the association is concerned. As Judge Schmuck said at the end of the trial, 'If that was a libel the end of the trial, 'If that was a libel then every one of us would have to follow the old Arabian proverb of keeping every word behind our teeth, so that they would be our slaves, and not letting them past our lips lest they become our masters.'"

#### RIFKIN CHANGES BASE

A. S. Rifkin, formerly brokerage supervisor in the S. A. Boyd (Brooklyn) agency of the New England Mutual Life, has joined the Brooklyn branch of the DeLong agency of the Mutual Benefit Life as manager of the brokerage department. Before joinging the New England Mutual Mr. Rifkin was accident and health manager in Brooklyn dent and health manager in Brooklyn for the Commercial Casualty, and before that was associated with the New York branch of The National Underwriter. He is vice-president Brooklyn Life Supervisors Association.

\* \* \*

NEW YORK CITY RECORDS

The J. S. Myrick office of the Mutual Life of New York in New York City paid for \$1,584,306 in May as compared with \$2,243,000 for the same month of 1932. For the year to date total paid-for business is \$9,221,263 as compared with \$12,578,027.

with \$12,578,027.

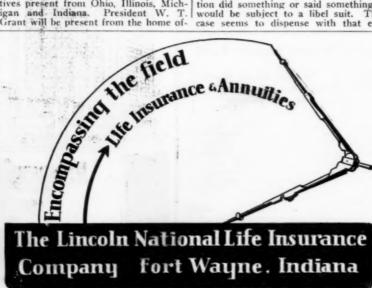
The Luther-Keffer agency of the Actna Life in New York City paid for \$1,851,506 in May and for \$13,513,822 during the first five months of the year. The J. Elliott Hall agency of the Penn Mutual Life in New York City paid for \$1,735,088 in May as against \$1,404,164 in May of last year. Paid-for business for the year to date is \$7,942,194 as against \$9,022,282 for the same period last year. ast year.

#### MeMILLEN OPENS NEW OFFICE

C. L. McMillen, general agent of the C. L. McMillen, general agent of the Northwestern Mutual Lfe in New York City, has opened a branch office in the Times Square district, at 1450 Broad-way. A. B. Siegel, formerly of the management staff of the J. C. McNa-mara organization in New York City, is mara organization in New York City, is branch manager. He will be assisted by Carl Muenzer, who was formerly as-sociated with him in the McNamara agency. The McMillen agency's busi-ness last month exceeded May of last year and was the best month so far this

#### Anniversary Month Success

The anniversary campaign of the Bankers Life of Nebraska, which always is conducted in May, produced gratifying results this year, according to A. B. Olson, manager of agencies. Production in May this year amounted to \$2,300,141, which is about 6 percent in excess of what was produced during the same month of last year. The cartoon plan of providing information at the end of each week was followed.



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### **NEWS OF LIFE ASSOCIATIONS**

#### Davis Heads Slate in Chicago | Pickford Des Moines Chief

Mail Vote in Association to Be Announced at Annual Meeting to Be Held June 27

Roy L. Davis, associate manager Union Central in Chicago, as president heads the slate prepared by the nominating committee to be voted on by mail and announced at the annual meeting of the Chicago Association June 27. Other officers proposed are: First vice-president, P. G. Dallwig, New England Mutual; second vice-president, T. F. Lawrence, manager Reliance Life, and treasurer, W. N. Hiller, Penn Mutual. For directors for a two year term are proposed F. T. Platka, Metropolitan; H. W. Anderson, Rockwood Company; C. T. Milner, Great West Life; R. W. Somers, Continental Assurance; J. C. Windsor, Equitable of New York, and L. E. Weil, Northwestern Mutual. For one year term, L. R. Schauffler, State Mutual.

Mutual.
The directors holding over until June, 1934, are, N. H. Bokum, Massachusetts Mutual; Frederick Bruchholz, New York Life; C. E. Clinton, W. W. Grosser, and E. J. Smith.

\* \* \*

Ottumwa, Ia.—Agents from Burlington, Davenport, Cedar Rapids and Des Moines attended a sales congress sponsored by the Ottumwa association last week, with J. F. Kerfoot, general agent Yeomen Mutual Life, presiding. Clifford De Puy, "Underwriters Review," talked on the "Stability of Life Insurance;" M. L. Seltzer, Des Moines, general agent Aetna Life, on "Planning a Day's Work;" K. E. Madden, Davenport general agent Penn Mutual Life, "Work Rabits;" Earl Smith, educational director Equitable Life of Iowa, "The Rate Book and the Imagination;" P. C. Otto, Davenport general agent Connecticut Mutual Life, "Settlements," and C. E. Brown, Iowa manager Mutual Life of New York, "Making the Sale." Mrs. Walter Pritchard, National association, spoke on the American home. . . .

Kearney. Neb.—The Kearney, Neb. association has elected the following officers: E. A. Gillisple of the Mutual Benefit, president; William Braden of Banker's Life of Nebraska, vice-president, and X. D. Merritt, Northwestern Mutual, secretary and treasurer.

## Picked at Chicago



R. L. DAVIS

R. L. Davis, associate manager Union Central in Chicago, was nominated for president of the Chicago Association of Life Underwriters, the vote to be by mail. Announcement of results will be made at the annual meeting June 27.

Provident Mutual General Agent Elected President—See Gives "Ten Commandments"

DES MOINES, June 8.—A. H. Pickford, general agent Provident Mutual Life was elected president of the Des-Moines Association of Life Underwriters, at its annual meeting Saturday. He succeeds M. L. Seltzer, Aetna Life, who becomes chairman of the board. J. H. Hilmes and Charles Brown are first and second vice-presidents, respectively; Caspar Haines, secretary-treasurer, and Earnest Gray, national committeeman. "Ten Commandments" for closing a sale of life insurance were cited by Frank M. See, St. Louis, general agent New England Mutual Life. His list includes: Build a foundation on which to close; qualify your prospect; use implied consent; keep your prospect too busy to say "no"; make it easy for the prospect; use power of suggestion; if necessary to get decision, get it on some minor point; the fatal alternative; get prospect in physical motion; give prospect three chances to buy. pect three chances to buy.

Joplin, Mo.—The Joplin association has

Joplin, Mo.—The Joplin association has been formed here with 20 members.
C. S. Lee, Metropolitan manager, was elected president; C. P. Gish, district agent Actna Life, vice-president, and H. O. Trusty, general agent Continental Life of Missouri, secretary-treasurer. Directors are W. R. Gunn, Sun Life; Miss Jeanette Elsea, New York Life, and Jack Flourney, Massachusetts Mutual.
V. W. Wiedemann, Kansas City manager Sun Life, installed the officers.

ger Sun Life, installed the officers.

\* \* \*

Senttle — Austin Thayer was elected president; W. Z. Robinson and J. P. Mulder, vice-presidents; C. R. Cave, secretary, and Oscar Sund, treasurer, L. A. Perkins, retiring president, was elected national committeeman and was given a jeweled gold pin as a token of appreciation of his services.

L. O. Schriver, Peoria, Ill., vice-president National association, was the principal speaker.

cipal speaker.

cipal speaker.

\* \* \*

Columbia, Mo.—R. G. Lehnen, general agent Missouri State Life, is president of the newly formed Columbia association. Other officers are John Riley, Connecticut Mutual and Reliance Life, vice-president; E. C. Cummings, American Life & Accident, secretary, and George Jackson, Equitable Life of Iowa, treasurer.

\* \* \*
Waterloo, Ia.—M. L. Seltzer, state director Aetna Life and former president of the Des Moines association, spoke on "Getting Organized, or Planning the Day's Work."

Louisville, Ky.—The June 16 meeting will be the last until fall. W. T. Grant, president Business Men's Assurance, will

speak.

\* \* \*

Chicago—President M. A. Linton of the Provident Mutual Life will give the address at the annual meeting of the Chicago association, June 27.

\* \* \*

Fort Worth, Tex.—C. A. Fair, assistant manager of the Travelers at Dallas, spoke on "Prospecting and Time Control." Paid membership is now 52 as compared to 44 for June, 1932.

\* \* \*

Pittsburgh—The summer sales congress of the Pittsburgh association will be held next Thursday, the slogan being. "Underwriting Prosperity." R. B. Hull, National Association of Life Underwriters, and C. D. Connell, general agent Provident Mutual Life of New York City, are the chief speakers.

The Trinity Life of Fort Worth, Tex., as of May 7, showed insurance in force \$6,000,000, number of policyholders 3,290, business written in April \$1,106,325, producing agents 116.

# Friends and Neighbors

THE confidence of citizens of the United States and Canada in strong, well-conducted life insurance companies halts at no borderline.

The success achieved through the years by outstanding United States Companies operating in Canada is finding its parallel in the reception accorded The Great-West Life in North Dakota, Minnesota, Illinois, Michigan and Wash-

During the month of April this Company reached its high peak of the year in "Financial Independence Week," and in that month the standings in business issued were headed by our United States agencies.

Business-in-force over \$580,000,000

## THE GREAT-WEST LIFE

ASSURANCE COMPANY

HEAD OFFICE WINNIPEG-CANADA

## Prompt Settlements

Security Mutual Life prides itself on issuing checks for policy settlements always on the same day that completed claim papers are received and approved. For many years we have adhered strictly to this rule. Friends gained thru this prompt service are legion.

# Security Mutual Life Insurance Company

BINGHAMTON, N.Y.

### Officers Renamed by Commissioners

#### (CONTINUED FROM PAGE 2)

There seems to be a greater tendency on the part of the commissioners to act in unison. The necessity of reaching some degree of uniformity so far as re-strictions on life insurance cash surren-der and policy loan values are concerned has undoubtedly brought them closer together. The agitation in some quar-ters for federal supervision of insurance probably acts as something of a threat to induce closer cooperation.

The most vital action of the commissioners was the adoption of a resolution setting forth a new recommended set of life insurance moratorium reg-ulations. The principal feature is the suggested provision that companies be permitted to make unlimited loans and pay unlimited cash surrender values where failure to do so would cause hard-ship or suffering.

#### Agency Balance Action

Adoption of a resolution recommend-ing that premiums collected by fire, cas-ualty and surety agents be regarded as trust funds and that the companies be required to submit to the individual commissioners lists of delinquent agents and brokers was gratifying to the fire insurance company interests. The valuations committee, under a

resolution, was granted authority to pro-mulgate a standard of valuations for the 1933 statements in advance of the December meeting of the executive committee.

Much interest was exhibited in the address of Superintendent Van Schaick of New York, who proposed reforms in the liquidation of insurance companies, to avoid the complications that now ex-

ist where the states act independently.

J. B. Thompson reporting as chairman of the executive committee said that the blanks committee had recently

approved certain minor changes. Several invitations for the annual meeting of the convention in 1934 have been received and these have been referred to the executive committee, he said.

Commissioner Clark of Vermont res

ported as chairman of the auditing committee.

#### Report By Warner

Superintendent Warner of Ohio, chairman of the committee on laws and legislation, reported that the commit-tee had not had time to investigate the question of uniformity in agents' license laws, but said that this was an impor-

nt question.
The resolution endorsing an interpre tation and definition of the writing pow tation and definition of the writing pow-ers of marine companies represented an agreement on the part of casualty, fire and marine interests. If the program proves effective, it will mean an end to the troublesome issue of overlapping of coverages, which has disturbed the busi-ness for some time. ness for some time.

In his presidential address, Commis-sioner Brown of Minnesota expressed opposition to the idea of federal control of insurance. He said the same proposal was made 26 years ago as a panacea for all insurance ailments, but the general reaction was unfavorable. State supervision, while open to some criticism, he said, was in the main effective and was constantly improving in inefficiency while federal control would mean a confusion of authority and a duplication of expense. The policyholder would be further removed from the agency to which he looks for help in time of trouble. The states were reluctant to surrender all of their sovereign powers. These same factors, he said, will undoubtedly contribute to the defeat of the present movement. opposition to the idea of federal control

#### Defects Are Cited

Agitation for federal control, Mr. Brown stated, is based to some extent upon the existence of real defects in the present system. There is a lack of uniformity in the insurance laws. There

is a feeling among legislators that the citizens of their state should be favored over those of foreign states; hence the

over those of foreign states; hence the numerous depository laws designed to protect a particular group of policyholders at the expense of others.

Mr. Brown said the commissioners must continue to work for uniformity of laws, uniformity in interpretation, cooperation in interstate examinations, prompt, efficient and economical liquidation and prompt rehabilitation or reinsurance. There should be cooperation between the states in receiverships parbetween the states in receiverships par ticularly in the appointment of ancil

lary receivers.

Mr. Brown endorsed the legislation of several states providing for rehabilita-tion of companies in lieu of liquidation. Mr. Brown dwelt at some length on

the life insurance moratorium question. The present restrictions, he said, have proved too rigid and he expressed the belief that there should be further lib-eralization. He expressed opposition to the complete lifting of the restrictions at this time. Business recovery, he said at this time. Business recovery, he said, is still in an early and therefore uncertain stage and various other factors must be dealt with, including the London economic conference. The situation appears to warrant hope for an early lifting of the restrictions but it calls for caution in taking such action, he said. He favored a more workable comity clause.

Daniel of Texas in Commissioner commenting on the paper by Commissioner Knott of Florida said there is no excuse for getting a dollar from the people if the company is going to squander it. He said that fire and casualty companies should keep even more liquid than the life companies.

#### Distribution of Exposure

Good insurance, he said, involves dis tribution of exposure in just as in underwriting. investments He said it is pitiful to see so many young life

pitiful to see so many young life insurance companies putting such a big investment in a home office building. This is comparable to a young couple investing all of their money in an orphanage, he declared.

Mr. Daniel endorsed farm Ioans. Such investments where carefully and judiciously made will be the first to come back in a period of prosperity. He condemned stock investments and said that most bonds, except those of the state and municipal governments and the federal government are not suitable for in-

and municipal governments and the red-eral government are not suitable for in-surance company investments. C. A. Gough, deputy commissioner of New Jersey, commented on the paper by Brown of Massachusetts. He said heretofore insurance supervision been administrative and executive and recently it has become judicial and legislative and has even assumed the managerial function. The obligations managerial function. The obligations upon state authorities have been heavy, he said, and their new powers have been exercised satisfactorily. He expressed the hope that conditions will soon return to normal so that the supervisors can assume their ordinary functions.

A committee of five was appointed to inquire into the question of interstate liquidations and reorganizations because of the recommendations in the address of Superintendent Van Schaick of New York. The members of that commit-York. The members of that commit-tee are Theodore Tangeman, director of trade and commerce of Ohio; Commis-sioners Dunham of Connecticut, Sulli-van of Washington, Senff of Kentucky and Palmer of Illinois.

#### Eliminate Salary Limit

WASHINGTON, D. C., June 8.— Eliminating the provision that no loans shall be made by the Reconstruction Finance Corporation to insurance companies paying any official or employe more than \$17,500 a year, and providing instead that loans shall be made only to companies paying salaries considered reasonable by the corporation, conferees of the House and Senate have compromised their differences on the Fletcher bill providing for the purchase of insurbill providing for the purchase of insur-ance company securities.

#### Selection Problems Are Viewed From All Angles

#### (CONTINUED FROM PAGE 2)

most business cases, it does not hold

for all.

What to do with the unemployed applicants, Mr. Barney says can scarcely be solved by rules that cover all cases. Such policies when issued should be for small amounts only

#### Double Indemnity Important

Double Indemnity is assuming proportions as an underwriting problem. It has left the "ginger-bread" class and attached to itself an especial underwriting significance. Although disability has ceased to be a major underwriting problem, over-insurance for the income clause will also be over-insured for the waiver of premium. Mr. Barney also stressed the importance of careful underwriting of reinstatements.

As a medical director, Dr. Ross Huston, Bankers Life of Iowa, said the big

As a medical director, Dr. Ross Huston, Bankers Life of Iowa, said the big problem is to strike a fine balance between liberalizing and being too strict in underwriting. He emphasized the necessity of selecting salesmen with character. No salesman should be allowed to sell life insurance who is incarable of proper morral judgment. If capable of proper moral judgment. If a salesman is properly trained in the selection of risks, he is less apt to be-come discouraged over rejections. Economic pressure has caused agents to submit inferior business which has resubmit interior business which has resulted in a higher rejection ratio. If they have a proper knowledge of under-writing they select their prospects more carefully and save themselves much disappointment and discouragement and save the company much overhead ex-pense. Rejected cases and lapses never build a company any more than they can make a successful agent.

#### Heavy Demands on Inspectors

Demands have been heavy upon in-spection service, reported Lee N. Par-ker, vice-president American Service Bureau. Reduced income, racketeering in industry and insurance and the adwent of legalized beer, place particular demands upon inspectors to secure ac-curate facts. Recent economic develop-ments have taxed the ingenuity of the inspectors as they get a wide difference of opinion from the various sources of information. Racketeering has been widespread, affecting nearly all lines. Organized insurance rings have made new and direct demands upon inspectors.

The general practice of furnishing The general practice of furnishing free beer to brewery employes means they consume more than the average and brewery workers as a whole have produced extra mortality. In the wholesale distribution of beer the possibility of racketeering is great. The retail outlet for beer has to be carefully watched because of the close affiliation with the sale of stronger alcoholic drinks.

#### Don Lewis Soon at Old Post

PIERRE, S. D., June 8.—Don C. Lewis, who was removed from the head of the insurance department for political reasons, will again take up the duties as its head the first part of next month, and is making his plans in regard to the work of the department. He announces that he is preparing a pro-gram for the working of the department along lines which he believes will increase its efficiency, and reduce the cost of operations, and that the program will be practically outlined by the time he takes up the work again.

#### CLAY W. HAMLIN DEFINITIZER" SYSTEM

Insurance R & R Service

## TWO LITTLE WORDS "Mutual Trust"

are more than merely the name of a Company.

-they signify the confidence of our agents and policyholders in the ability of this Company to meet every promise and obligation.

-and our belief that sound underwriting and conservative business methods will continue to bring to our agents and to our policyholders increasing progress and increasing rewards.

A Full Level Premium Company





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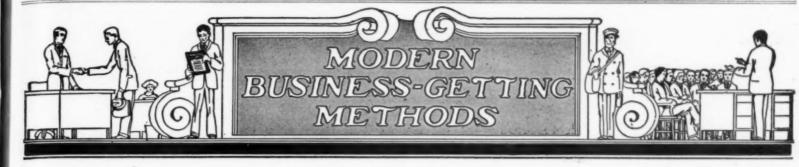
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## Ayars Recreates Interview on Life Insurance as Capital

George W. Ayars of Los Angeles, former vice-president of the National Association of Life Underwriters and well known to life insurance men throughout the country, has set down one of his actual interviews for presenting the function of life insurance in providing capital. Mr. Ayars lays the background for the interview and explains its use in his foreword.

#### By GEORGE W. AYARS

In doing joint work in times past with representatives of various companies on their cases where assistance in closing was felt to be necessary, such an interview as given below has been greatly esteemed by my co-workers and this line of attack, not new by any means, has proven so successful with thoughtful prospects that a typical piece of work with a rather well known lawyer on whom the writer called alone is given herewith as nearly verbatim as recollection could reconstruct it.

The interview is submitted in the hope

The interview is submitted in the hope that some reader may secure help therefrom in approaching cases of like character. Please understand that after seacter. Please understand that after se-curing the attorney's consent for an ex-amination, the case was not left at that point. An application with settlement was procured and the conservation of the insurance was arranged by use of the settlement options.

## Groundwork Laid for Additional Family Income

Additional Family Income

In addition the groundwork was laid for an additional policy on the family income plan to provide guaranteed funds that would see the children through the college age, and it was understood that such a contract was to be ordered out and that we would talk about it when we made delivery of the policy ordered and paid for. Further, his other insurance holdings were taken away for survey, and any necessary changes to tie all his policies into a concrete estate plan were to be submitted. Might we add that never do we offer to make surveys unless and until the prospect becomes a client through the purchase of new insurance.

becomes a client through the purchase of new insurance.

This attorney, called Mr. Barrister, was a total stranger to us. He was reached by telephone at 9 o'clock in the morning and he consented to see the writer at 11 o'clock of the same morning at his office. The purpose of the interview was unknown to him, but he had a pretty well grounded suspicion that he was to listen to a sales talk. Now for the interview:

Ayars: Mr. Barrister, good morning, sir. It was exceedingly gracious of you to give me an appointment when I telephoned you this morning. One of our superior court judges who is a friend and client of mine told me of you and I've come in to ask you a very important question, and as the head of a family, your wife and four growing children are looking to you to make answer. Is not your greatest problem, sir, just this—how to assure today an adequate estate income for your family?

Ayars: Well, you see it is true, do you additional capital in your state at this time?

Barrister: I haven't had a fee like that for five years, and I do not see any such of it.

Ayars: Well, you see it is true, do you additional capital in your state at this time?

Barrister: I haven't had a fee like that for five years, and I do not see any such of it.

Ayars: Would you like to go home tonight with that additional \$24,000 in your pocket?

Barrister: I guess you are.

Ayars: Would you like to go home tonight with that additional \$24,000 in your pocket?

Barrister: I guess you are.

Ayars: Would you like to go home tonight with that additional \$24,000 in your pocket?

Barrister: I guess you are.

Ayars: I can send you home tonight, sir, with that \$24,000 needed capital tucked under your arm, if—and there is

Barrister: I guess that is a major problem before every husband and

father.

Ayars: Right. You, of course realize, sir, that income for a family can come from only two sources, namely, a man working or money working. As long as you are here the man working is doing a fine job and your family is undoubtedly and rightfully proud of your accomplishments and success. But if you are not here, capital which you have accumulated must take your place in providing income. Is that clear, sir?

Barrister: Yes, that is succinctly and

Barrister: Yes, that is succinctly and correctly stated.

Ayars: Well and good. My profession, sir, is that of providing money where a situation shows additional capital is needed to complete whatever plans my clients have in mind. May I take my clients have in mind. a moment or two more?

Barrister: Yes, go ahead.

Barrister: Yes, go ahead.

\* \* \*

Ayars: Suppose, Mr. Barrister, the Secretary of State should wire you that your shrewdness and ability had secured for you, without your knowledge or seeking, an opportunity for service to your country. That you were to proceed quietly to Washington for instructions and then, alone and secretly go to Europe to study certain phases of the war debt situation. The pay would be ample and you immediately decide to go. But you will be away a year and you must leave Mrs. Barrister and your four children behind. Before you would leave on such a trip you would make definite provision so that your family would have a monthly check to provide for their needs, wouldn't you?

Barrister: Yes, I would.

Barrister: Yes, I would.

Barrister: Yes, I would.

Ayars: Now, Mr. Barrister, your personal expenses would be paid while away on this government mission, and you could arrange with your secretary here to pay any life insurance premiums falling due, so those two items do not need to figure. How small a monthly check would suffice to meet the minimum living requirements of Mrs. Barrister and the children—so they could continue to live just as they are living now? Will you think a moment before you answer?

Barrister: (Thoughtfully) They could not get along on less than \$500 a month.

Ayars: Do you realize, sir, that \$500 a month is \$6,000 a year and that it takes \$120,000 safely invested at the high interest rate of 5 percent to produce that income? that income?

Barrister: No, I never figured that.

Ayars: Well, you see it is true, do you not?

Ayars: Now the gross value of your estate, other than home and life insurance. What I mean is that you indicate the present value of other property that would produce income or that could be turned into cash to produce income for your family. What figure shall we set down?

Barrister: Well sir, in 1929 I figured I was worth \$150,000 but now—I guess \$60,000 is as high a figure as I dare place

Ayars: That's a 60 percent shrinkage since 1929, isn't it? Now, sir, your \$48,000 of life insurance money invested at 5 percent would produce \$2,400 a year or \$200 a month. Your \$60,000 general estate would further suffer shrinkage of at least 20 percent due to expenses of last illness, death taxes, probate charges, fees, etc., so that the \$60,000 would be reduced by \$12,000 to \$48,000, and that invested at 5 percent would provide another \$2,400 a year or \$200 a month. Summing up, your life insurance money at 5 percent brings in \$200 a month and your general estate proceeds a like amount, or a total of \$400, a month for the family. But you said \$500 a month was the minimum on which your family could live, and the family expense will could live, and the family expense will increase as the children get into college age. But there is needed \$500, with \$400 provided. That leaves how much of a monthly deficit, sir?

Barrister: Well, \$100 a month. But I'm not going to Europe nor am I going to pass out soon, as far as I know.

Ayars: Are you going to cancel all your present life insurance?

Barrister: I did not mean to indicate that thought.

Ayars: You may have a champion family history in which all your male ancestors lived to play golf at age 120, and yet, as you step out onto the street tonight a \$15 second-hand Model T in tonight a \$15 second-hand Model I in the hands of a reckless or drunken driver could cut off your limb of the family tree in two seconds, couldn't it? Barrister: I've read of such things.

Ayars: To produce that needed \$100 a month requires \$24,000 of additional capital invested at our assumed interest rate of 5 percent, and that, sir, is your need as you, yourself, have stated your financial set-up. Are you prepared to place \$24,000 additional capital in your estate at this time?

bonds, real estate, etc., wouldn't you, sir?

Barrister: Yes.

Ayars: Now, Mr. Barrister, it is of no personal interest whatever to me nor am I in the least curious about your affairs, but if you will let me jot down on this paper the gross amount of your holdings I believe I can show you something. By the way, let us put down first the net amount of the life insurance you own. What figure shall I write?

Barrister: Life insurance, \$48,000.

Ayars: Now the gross value of your estate, other than home and life insurance. What I mean is that you indicate the present value of other property that would produce income or that could be turned into cash to produce income phone in hand.)

Barrister: You are working too fast. How are you proposing to do this, and what will it cost me?

How are you proposing to do this, and what will it cost me?

Ayars: I propose to present you to the institution of life insurance to secure this money for your needs. The life insurance plan is the only method you can possibly employ to immediately create \$24,000 of capital to be paid at any moment from now on, and it really costs you nothing. Were you placing \$100 a month in a savings account in a good, strong bank you wouldn't say the bank was costing you \$100 a month. Kather. you'd think kindly of the financial institution that was conserving your earnings for you and helping to compound your savings. Neither will my plan cost you anything, for there is an old man out ahead of you who, some day, can practice law no longer. He, if you live, will reap the benefits of this plan. And if you do not live, the plans you have for your family are fulfilled anyway. In either case you are the winner, moneywise. But I'll play with you, sir, and your cost idea for a moment and call whatever money is necessary from you now a liability. You will deposit, sir, only 2½ percent each year, the \$24,000 being guaranteed from tonight on, if the physical collateral is sufficient. Two and one-half percent, figure it yourself.

Barrister: That looks like \$600 to me.

Ayars: Exactly, sir. Six hundred dollars, or \$50 a month. How long and how persistently you'd have to save \$50 a month to have it equal \$24,000. The life insurance plan enables you to have the \$24,000 guarantee back of you now, while you are building toward it with your savings deposits. And do not let us forget what you said a while ago, that your other estate had shrunk 60 percent in the last three years, while your life insurance estate has maintained its 100 percent valuation year in and year out. You can have no idea what your other estate will be worth in 1941 or in 1960, but you can know with a certainty that your life insurance will pay in cash, without deduction, just what your policies call for, whether times are good or bad, and whether the claim is presented to the company tomorrow or fifty years from now. Am I right?

Barrister: I guess you are.

Ayars: I'm going to ring for that physical collateral appraiser, for 3 o'clock. All right?

### **New Regulations** Now Recommended

#### (CONTINUED FROM PAGE 1)

adopted the day before the close of the convention. Superintendent Van Schaick of New York is chairman of the special committee on cash and loan values. The other members are Theodore Tange other members are I needed Tangerman, director of trade and commerce of Ohio; Commissioners Brown of Massachusetts, Clark of Iowa and Thompson of Missouri. The report of the committee, which was adopted, is herewith presented in full:

Your special committee appointed on April 8, 1933, to make further investi-gation as to the facts concerning policy loans and surrender values and to report the same, together with recommen dations to this meeting hereby reports that it has made an exhaustive investigation by questionnaire of the various life insurance companies doing business in the United States, and has ascertained therefrom that there has been a marked improvement in the liquid position of life companies due in large measure to the gradual improvement in economic conditions in many sections of the country. Your committee recommends the adoption by this convention of the following resolution

"Anticipating the time when existing restrictions should be modified, which time may vary in different states, this convention recommends as a guide to members that as and when conditions in the respective states warrant the liberalizing of such restrictions, emergency rules and regulations be adopted and issued in the form hereinafter set forth.

"It is recognized that identical conditions do not prevail in all of the 48 states however, and that the present uniform regulations should be retained in those jurisdictions where, in the opinion of the commissioners, the situation requires it.

"I. Each life insurance corporation organized under the laws of this state and each foreign corporation authorized to transact the business of life insurance therein, as to any life insurance policy or annuity contract on the life of a resident of the United States or any territory or possession thereof, shall be permitted, until further order, to pay cash surrender values and make policy loans, for the following purposes only:

Cash surrender values may be (a) allowed and policy loans may be made for the purpose of having such cash surrender value or loan applied to the

payment of any premium or obligation of the policyholder to the corporation.

"(b) When proper reasons therefor are made in writing, cash surrender values may be allowed and policy loans may be made in accordance with the provisions of the policy or contract to

#### Sales Executive Wanted

Southern life insurance company with strong and liquid financial structure will consider application for position of superintendent of agencies. Good salary and unusual opportunity. Address X45, The National Underwriter for confidential inter-

#### APPRAISER

resently employed by Pederal bureau in connection rith farm land, residential, and industrial values, esires to ferm permanent connection along appraisal, aspection, or adjustment lines. Eight years experience in east and southeast. Age 30; civil engineering graduate; good personality; successful record and ighest references. Familiar with property insurance neary and practice. Address X.44, The National

the extent required to relieve need or Need Perspective

prevent hardship.

"(c) No restriction shall be applicable (1) to industrial insurance or (2) to cash surrender values and loans which are not in excess of any cash premiums paid or policy loans repaid since March 10, 1933

"II. (a) Such corporation may pay at the due date thereof the interest on any sum deposited with it or allowed to accumulate in its possession under any policy or contract and may pay any principal sum which shall become due without the exercise of the option of withdrawal or commutation.

It may continue to pay instalments of such sums according to con-tracts now or hereafter in force or according to practice established prior to March 10, 1933.

#### Withdrawal Privilege

"(c) When the depositor has a with-awal option under the terms of the drawal deposit agreement it may allow a with-drawal in any calendar month not to exceed \$200.

"(d) It may pay or allow amounts required to relieve need or prevent hard-

made in writing.

"(e) There shall be no restrictions upon withdrawal of sums left on deposit or credited subsequent to March

10, 1933.
"III. The aforesaid rules and regulations are applicable in all states, terri-tories and possessions of the United States, except insofar as they may con-flict or be inconsistent with any laws or any rules, regulations or orders made by any official of any other state of the United States or any territory or posthereof.
Nothing herein contained shall

affect the payment of death claims, ma-tured endowments, annuities, disability payments, and instalments on supplementary contracts, all of which must continue to be met promptly by all com-

panies.
"V. All previous emergency rules and regulations in conflict herewith are abrogated."

#### Situation in Nebraska

Mrs. Mary A. Fairchild, chief deputy in Nebraska, says that no changes will he made in the moratorium regulations now in force until after she has had an opportunity to consult with Commis-sioner Herdman. The latter is rapidly recovering from heart attacks folrecovering from heart attacks fol-lowing on operation for cataract, and will be able to receive visitors by the latter part of the week. Mrs. Fairchild will recommend gradual liberalization of present regulations

#### EXTENSION IN CALIFORNIA

Commissioner Mitchell of California has extended the restrictions on payments by life companies for 30 days announcing simultaneously, however, modification of original restrictions so that unlimited amounts may be paid policyholders upon showing of need and without such showing may pay up to \$200 instead \$100 as formerly. There is a ban on payment or declaration of stockholders' dividends.

#### WANTS RESTRICTIONS WITHDRAWN

MADISON, WIS., June 8.-The Wisconsin assembly in a test vote favored adoption of the Balzer resolution directing the insurance commissioner to with-draw policy loan and cash surrender restrictions on companies in Wisconsin paying salaries in excess of \$25,000 a

#### NO CHANGES FOR INDIANA

INDIANAPOLIS, June 8.—Commissioner H. E. McClain of Indiana has announced that there will be no change in the life insurance moratorium in that state. The conditions as originally se down will not be modified at present.

The Business Men's Assurance is holding a convention for its Kentucky agents June 16-17 in Louisville.

## in Underwriting

#### (CONTINUED FROM PAGE 1)

ence is due to the greater frequency of the relapses and the greater strain on the heart of a more physically violent and less sedentary and regular mode of Sixty to 86 percent of this group eventually show clear signs of heart disease and by age 40, less than one-half

ease and by age 40, less than one-half are alive where cardiac impairment was produced by rheumatism originally.

Wherever feasible, heart tests are warranted for applicants for life insurance, and for larger amounts of life insurance protection the company may order electrocardiographic and X-ray investigation, according to Dr. H. C. McAlister, assistant medical director Lincoln National Life. Too little weight has been given to the minor factors of heart disease, and perhaps the failure to heart disease, and perhaps the failure to properly weigh these so called minor factors probably is responsible for con-siderable of the excess mortality, said Dr. McAlister.

### Great Issues in Actuaries' Meet

#### (CONTINUED FROM PAGE 2)

day and some provision in law should be made to cover times of great success. In the past there was pressure to invest large sums at a high return, which re-quired buying less liquid securities. It had never been anticipated that there would be the need for so great liquidity as now

He found the life companies faced with somewhat the same situation as were banks, and stated unless policy restrictions are continued, c will find themselves being companie

#### Two Types of Policies Proposed

Mr. Mead raised the question whether there should be two types of policies, those with cash values and others without. Life insurance has been built on the first type, yet the banking feature should be subsidiary and should op-erate only in normal times. Hence in-vestments should be diversified, and there should be restrictions on cash withdrawals in times of stress.

The consensus was that for a con-siderable period in the future much greater liquidity will be demanded of life companies than in the past. The good old days of normal policy loans and surrenders, it is believed, will not be seen for some time to come.

The actuaries felt that if the gold dol-lar is revalued and this process goes very far, the effect on the country genvery far, the effect on the country generally may be rather drastic, and particularly on life companies. Persons and corporations holding equities would have the advantage over those holding securities. It is believed if the inflation were carried out through open market operations the process would be safe and life companies need not fear the United States going off the gold standard.

#### Linton Discusses Inflation

The possibility of a "flight from the dollar" was pointed out by M. Albert Linton, president Provident Mutual. He said the national administration's statements appear to mean a cheapening of the dollar, and the stage is set for an international agreement on the gold content of currency. He believes many people may consider it profitable to convert their dollar credit by buying stocks, and if policy restrictions were not con-tinued the life companies materially would feel the drain, he said. On the other hand there is no question but that inflation would help, particularly in regard to agriculture. Open market op-erations when there is an embargo on regard to agriculture. Open market op-erations when there is an embargo on gold may have great inflationary effect by creating large volumes of credit. J. F. Little, Prudential, said so long

as the government sticks to a certain percentage of gold value in the dollar

there will be no ill effects; that it is the public fear of further changes that causes bad results.

The most favorable aspect of inflation is a return of cheerfulness as prices rise. He believes it will be possible in

rise. He believes it will be possible in the inflation period to find more people with money to buy policies and there will be an easing on policy loans and surrenders which will be a powerful offset to any bad effects.

President Mead was reelected. Other new officers are: Vice-presidents, T. A. Phillips, president Minnesota Mutual and W. P. Coler, actuary American Central; secretary, W. F. Poorman, actuary Central Life of Des Moines; treasurer, W. M. Johnson, vice-president. urer, W. M. Johnson, vice-president-actuary Central Life of Illinois; li-brarian, E. L. Marshall, vice-president Lafayette Life, and editor of the record, J. S. Elston, assistant actuary Travelers.

J. S. Elston, assistant actuary Travelers. New members of the board of governors are E. G. Fassel, assistant actuary Northwestern Mutual and retiring secretary; V. R. Smith, general manager and actuary Confederation Life, Toronto, and A. W. Larsen, actuary Volunteer State.

#### Mead Talks on Inflation

President Mead in his paper on in-flation which opened the meeting said that during inflation one can expect an increase in the sale of new life insurance and in appreciation in assets. pointed to the huge decline of 90 percent in stock prices from the high point reached in 1929 as compared with only

50 percent stock decline in England. General Manager Smith of the Confederation Life said the seeds of inflation go back to the world war. He said one of the most important things to be done is to set up in every country a proper central banking system with complete control over the financial complete control over the financial situation, and of long term and short term credits. The next necessary step term credits. The next necessary step is control of foreign lending, which must be done by creditor nations, probably through a guarantee plan. Reparations and war debts must be adjusted; trade limitations abandoned. He expressed opinion that inflation if done sanely through open market operations will not be dangerous and life comments used.

be dangerous and life companies would have nothing to fear.

Henry Moir, president United States Life, said he felt the gold standard has an important place in our national struc-ture. Life companies have nothing to fear from the United States going off

#### Canadian Life Agency Group Elects T. O. Cox, Chairman

OTTAWA, CAN., June 8.—At the annual meeting of the Canadian Association of Life Agency Officers, which was held here recently, the following executive committee was elected: Chairman Committee was elected: man, T. O. Cox, superintendent of agencies Excelsior Life; honorary secretary-treasurer, A. Kinch, agency superintendent Manufacturers' Life; E. J. S. Brown, agency supervisor Crown Life; V. B. Harris, inspector of agencies Sun Life; G. H. Hunt, superintendent of agencies Imperial Life; E. J. Harvey, superintendent of Agencies North American Life; E. J. MacIver, assistant American Life: E. J. MacIver, assistant secretary Prudential. J. O. Gallow, agency secretary Imperial Life, was reelected secretary-treasurer to begin his tenth year in that capacity. A. Gordon Ramsay, Canada Life and A. MacKenzie, Manufacturers Life, both former chairmen, were appointed representatives on a joint committee with representatives of other organizations concerned with agency work. G. H. Hunt cerned with agency work. G. H. Hunt was appointed chairman for Insurance was appoint Week, 1934.

Week, 1934.
C. A. Butler, Great West Life, presided at the sessions. Speakers included G. D. Finlayson, Dominion superintendent of insurance; W. S. Penny, agency superintendent Sun Life, A. Ř. Ferguson, Manufacturers Life, and H. D. Wright, Metropolitan Life. General managers of a number of the com-

panies were present.